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Executive Board of the United Nations Development Programme and of the United Nations Population Fund

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Item 1 of the provisional agenda
Organizational matters

Annual work plan 2001 for UNDP/UNFPA Executive Board

I. Overview

1. The draft annual work plan 2001 was prepared by the Executive Board secretariat in consultation with the Bureau of the Executive Board. Views expressed by delegations at the third regular session 2000 on the outline for the Executive Board work plan 2001 (DP/2000/CRP.13) are reflected in the draft annual work plan 2001. As agreed by the Board at its second regular session 2000, there will be two regular sessions and one annual session in 2001.

2. A joint session with the Executive Board of UNICEF, and with the participation of the World Food Programme, is planned for January 2001. The Bureau agreed to the theme as proposed at the third regular session 2000: "Follow-up to Economic and Social Council resolution 2000/27: Basic indicators for the integrated and coordinated implementation of and follow-up to major United Nations conferences and summits at all levels".

3. In accordance with Executive Board decision 2000/14, the special event planned for the annual session 2001 will be on volunteering in the framework of the International Year of Volunteers 2001 and the thirtieth anniversary of the United Nations Volunteers programme.

II. UNDP

4. Proposed items for UNDP in 2001 build on the major changes in the organization that occurred in 2000, in particular the alignment with results-based management. Follow-up to the UNDP Ministerial Meeting held on 11 September 2000 will play a major role in the direction of the organization and will be discussed in the context of the Administrator's written and oral submissions to the Executive Board.

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A. Policy and management

5. Updates on the implementation of the Administrator's Business Plans, 2000-2003, will be submitted to the Executive Board as a conference room paper at the first regular session 2000 and as part of the annual report of the Administrator for 2000 at the annual session.

6. Proposals on the follow-up to the UNDP Ministerial Meeting will be presented in a separate conference room paper at the first regular session of the Board.

7. Building on the discussion held at the second regular session 2000 and on a series of informal consultations held from June to September 2000, the Administrator will submit a report on the role of UNDP in crisis and post-conflict situations to the first regular session 2001 of the Executive Board.

8. In his annual report for 2000, the Administrator will provide the Executive Board with an overview of the results achieved and new challenges encountered by the organization during the year 2000, the follow-up to the Ministerial Meeting, principal policy issues and new developments in the organization.

9. A separate report to be submitted to the Executive Board at its annual session will address the role of UNDP in information technology and development.

10. The illustrated annual report for 2000, addressing a more general audience, will be distributed in time for the annual session of the Board.

B. Programme results

11. The first UNDP results-oriented annual report (ROAR) was presented to the Executive Board at its annual session 2000. Building on the experience and the comments received, UNDP will submit the ROAR 2000 at the annual session 2001. It is proposed that the following outcomes be highlighted:

- Goal 1: The enabling environment for sustainable human development

  Sub-goal 1: Promote national, regional and global dialogue and cooperation that widens development choices for sustainable and equitable growth

- Goal 2: Poverty eradication and sustainable livelihoods

  Sub-goal 2: Expand and protect poor people's access to assets (human, physical and financial)

- Goal 5: Reduced incidence of and sustainable recovery and transition from complex emergencies and natural disasters

  Sub-goal 2: Conflict prevention, peace-building and sustainable recovery and transition in countries emerging from crisis.

12. The ROAR will include analyses of activities resulting from non-core funding (including that from the Global Environment Fund, Montreal Protocol, Office to Combat Desertification and Drought, and Programme of Assistance to the Palestinian People), as requested in decision 98/2, as well as the operationalization of the guiding principles (decision 98/1).

13. A separate presentation and discussion of the United Nations Capital Development Fund (UNCDF) ROAR will take place at the annual session.

14. In order to initiate discussion in the Executive Board on the issue of programming instruments at the country level, an options paper will be submitted at the first regular session 2001, with a view to further discussion on the basis of a written report at the annual session 2001.

15. As agreed by the Executive Board in 2000, 10 country reviews will be submitted to the Executive Board for discussion. The second global cooperation framework and the second framework for technical cooperation among developing countries will be submitted to the Board at its first regular session 2001. The regional cooperation frameworks for all regions covered by the UNDP programme will be presented to the Board at its second regular session.

C. Financial resources and budget

16. The meeting on funding commitments to UNDP will be held at the annual session 2001 in conjunction with the presentation of the ROAR 2000, in accordance with Executive Board decision 98/23.

17. At the annual session 2001, the Administrator will present his report on the evaluation of non-core resources, requested by the Executive Board in its decision 98/2. In preparation for the evaluation, a process of consultation involving the Executive Board began in October 2000.

18. In accordance with Executive Board decision 99/2, a policy paper on issues and principles relating to the presentation to the Executive Board in 2002 of possible improvements in the present resource distribution model (the target for resource assignment from the core (TRAC)), including a review of thresholds, will be presented at the annual session 2001.

19. The budget for the biennium 2002-2003 will be submitted to the Executive Board at its second regular session 2001. The Administrator will present his proposals in line with Board decision 97/4 on the harmonization of the presentation of budgets, and in line with decision 98/23, under which the biennial support budget is presented as an integral part of the multi-year funding framework.

III. UNFPA

20. A key activity for UNFPA during the year will be to institutionalize further the results-based management approach in all aspects of UNFPA work. The Fund will implement its organizational policy on results-based management and continue to develop and test tools and approaches to enable UNFPA staff and national partners to manage for results. The Fund will ensure that the results-based management approach is employed in the design, implementation, monitoring and evaluation of all UNFPA-supported programmes.

A. Policy and management

21. In her annual report for 2000, the Executive Director will provide the Executive Board with highlights of the UNFPA programme for the year, as well as an overview of the Fund's advocacy activities in 2000.

22. In light of the lessons learned and experience gained in the past four years, the Executive Director will report to the Executive Board at the annual session on the Fund's information and communication strategy (decision 97/13).

23. Based on the outcome of the work of a United Nations Development Group working group, established in response to a request by the Executive Board in decision 2000/12, the Executive Director will report to the Executive Board at the annual session on progress made and future options in developing a common programme approval process.

24. In response to Economic and Social Council decision 1999/36, the Executive Director will present a report to the Executive Board at its annual session on the UNFPA contribution to the United Nations strategic plan for HIV/AIDS.

25. The Executive Director will submit a report to the Executive Board at the second regular session on further options on strategic and technical assistance to country programmes within the context of the Fund's Technical Advisory Programme (decision 99/19).

B. Organizational results

26. The Executive Director will report periodically to the Executive Board during the year on the status of implementation of the results-based management approach at UNFPA.

27. UNFPA will report on the 2000-2003 multi-year funding framework (MYFF) as part of the Executive Director's annual report, which will be submitted to the Executive Board at the annual session in June 2001.

28. The year 2000 is a transitional year in terms of the implementation of the MYFF. Given the early stage of implementation and the limited availability of data, UNFPA will report on results to the extent possible, and will present a more in-depth analysis of one of the MYFF strategies — advocacy. UNFPA expects the coverage and quality of reporting on results to improve over the MYFF cycle.

29. A situation analysis in all countries receiving UNFPA assistance will allow the Fund to make recommendations for refining the MYFF results framework and its components where necessary, based on a realistic picture of countries in relation to the results, indicators and strategies in the MYFF results framework.

30. In the first reporting cycle, UNFPA proposes to focus primarily on how the Fund is moving towards managing for results, including organizational changes to support results-based management, and the state of implementation of the MYFF. This will include an analysis of the implementation of the resources framework, including an update of the resource situation and the utilization of resources for 2000 by programme priorities and country categories.

C. Financial resources and budget

31. The meeting on funding commitments to UNFPA will be held at the annual session 2001 in conjunction with the presentation of the report on the Fund's multi-year funding framework for 2000-2003, in accordance with Executive Board decision 98/24.

32. The Executive Director will submit to the Executive Board at its second regular session estimates for the UNFPA biennial support budget for 2002-2003 and the Fund's annual financial review for 2000.

Executive Board of UNDP and UNFPA

First regular session: 26 January and 29 January to 6 February 2001

1. Organizational matters

- Election of the Bureau of the Board for 2001
- Adoption of the agenda and work plan for the session (W)[1]
- Adoption of report of third regular session 2000 (W)
- Adoption of the annual work plan 2001 of the Executive Board [96/25] (W)

UNDP segment

2. UNDP Business Plans, 2000-2003

- Update on the Business Plans (CRP)
- Follow-up to the UNDP Ministerial Meeting of 11 September 2000 (CRP)
- Role of UNDP in crisis and post-conflict situations [2000/10] (W)

3. Programme cooperation frameworks and related matters

- Second global cooperation framework (W)
- TCDC: Second cooperation framework (W)
- Review of regional cooperation framework for Arab States (W)
- Country cooperation frameworks and reviews (W)
- Assistance to Myanmar (W)
- Options for programming instruments at the country level (CRP)

[1] *W = written official report; O = oral report; CRP = conference room paper.*

Joint UNDP and UNFPA segment

4. **Reports of UNDP and UNFPA to the Economic and Social Council (W)**

5. **Reports of UNDP, UNFPA and UNOPS on implementation of recommendations of the Board of Auditors 1998-1999 (W)**

6. **Financial, budgetary and administrative matters: Common financial regulations concerning contributions from non-governmental sources (decision 2000/5) (W)**

UNFPA segment

7. **Country programmes and related matters**

   - Progress report on implementing the intercountry programme (O)
   - Country programmes (W)

8. **Other matters**

9. ***Joint session of the Executive Boards of UNDP/UNFPA and of UNICEF with participation of the Executive Board of WFP: (26 January)***

> *Theme: Follow-up to Economic and Social Council resolution 2000/27 on "Basic indicators for the integrated and coordinated implementation of and follow-up to major United Nations conferences and summits at all levels"*

Annual session: 11-22 June

1. **Organizational matters**

UNFPA segment

2. **Report of the Executive Director for 2000 (W)**

3. **Funding commitments to UNFPA**

   - Report on funding commitments (W)

   Note: Actual pledges will have to be transmitted to UNFPA in writing by the end of March 2001, in order to be reflected in the document submitted under this item.

4. Programming process

- Report on progress and future options in the programming process (decision 2000/12) (W)

5. Information and communication strategy

- Report on review of the UNFPA information and communication strategy (decision 97/13) (W)

Joint UNDP/UNFPA segment

6. Internal audit and oversight

- Reports of UNDP, UNFPA and UNOPS on internal audit and oversight (W)

7. Reports on field visits (CRP)

8. UNAIDS and reports of UNDP and UNFPA on their contributions to the United Nations strategic plan for HIV/AIDS (Economic and Social Council decision 1999/36, para. 9 (c)) (W)

UNDP segment (18-22 June)

9. Annual report of the Administrator (W)

- Results-oriented annual report (ROAR) for 2000 (W)

Note: The report of the High-level Meeting on Technical Cooperation among Developing Countries will be available to the Board for information. Reporting on UNDP-supported TCDC activities will be included in the ROAR

10. United Nations Capital Development Fund

- Results-oriented annual report (W)

11. Information technology for development: the role of UNDP (CRP)

12. Financial resources

- Review of funding commitments to UNDP (W)

Note: Actual pledges will have to be transmitted to UNDP in writing by end of March 2001 in order to be reflected in the document submitted under this item

- Evaluation of non-core funding — 98/2, paragraph10 (W)
- Issues and principles for possible improvements in the present TRAC resource distribution model, including a review of thresholds (CRP)

13. Programme cooperation frameworks and related matters

- Proposal for new UNDP country programming instruments (W)

(*see first regular session, item 3*)

14. UNOPS

- Annual report of the Executive Director (W)
- Implementation of recommendations of the evaluation of the relationship between UNDP and UNOPS: final report — 99/12 (W)

15. Other matters: Report on outcome of Coordinating Committee on Health (CCH) (O/W)

Special event on volunteering in the framework of the International Year of Volunteers 2001 and the thirtieth anniversary of the United Nations Volunteers programme

Second regular session: 10-14 September

1. Organizational matters, including preliminary draft work plan for 2002 (CRP)

UNDP segment

2. Financial, budgetary and administrative matters

- Annual review of the financial situation, including decision 98/2 on non-core resources (W)
- Biennial budget estimates for 2002-2003 (W)
- Report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on biennial budget estimates for 2002-2003 (W)
- Revised financial regulations and rules (W)
- Report of ACABQ on revised financial regulations and rules (W)

3. MYFF: Updated resources allocation (decision 99/23, para. 12) and revised integrated resources framework (W)

4. Evaluation

- Annual report of the Administrator on evaluation (W)

5. Programme cooperation frameworks

- Regional cooperation frameworks (W)
- Reviews of country cooperation frameworks (W)
- Country cooperation frameworks (W)

6. UNOPS: Financial, budgetary and administrative matters

- Budget estimates for 2002-2003 (W)
- Report of ACABQ on budget estimates for 2002-2003 (W)
- Annual review of the financial situation (W)

UNFPA segment

7. Country programmes and related matters

8. Technical Advisory Programme

- Report on Technical Advisory Programme: further options on strategic and technical assistance to country programmes (decision 99/19, para. 10) (W)

9. Financial, budgetary and administrative matters

- Estimates for the biennial support budget for 2002-2003 (W)
- Report of ACABQ on biennial support budget for 2002-2003 (W)
- Annual financial review, 2000 (W)

10. Other matters

United Nations DP/2001/4

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UNDP Business Plans 2000-2003

Role of UNDP in crisis and post-conflict situations

Summary

The increased incidence and risk of violent conflict and natural disaster in programme countries means that demand for UNDP services in crisis and post-conflict (CPC) environments is also on the increase. The commitment of UNDP to eradicating poverty and empowering the poorest and most vulnerable groups shapes its growing development work to break the pernicious cycle of crisis, poverty and risk that is fuelling instability world-wide. While UNDP has been active in such situations for several decades, the environment in which the organization is operating has changed dramatically. Reforms at the United Nations, universal calls for a shift to a global "culture of prevention", a new system-wide approach to peace missions and a growing body of experience on the shortcomings of today's handling of transition processes, are some of the primary forces requiring that UNDP update its CPC strategy. In all these instances, development cooperation has been identified as a critical link to success. These forces for change represent important opportunities for the organization to play its pivotal role within the United Nations system. Experience also suggests that UNDP CPC programmes would benefit from greater coherence – coherence within this portfolio, coherence between CPC and other UNDP interventions, and coherence between UNDP and other actors. Programmatic coherence in this field is built around the global UNDP priority of addressing the needs of the poor, especially women and children, by reducing vulnerability and risk, through interventions at the community and national levels, and through strategic upstream policy advice. Core business areas include: a continuation of the successful Area Development Programme approach; support to democratic governance institutions and strengthening of the rule of law; and an approach to transitions whereby UNDP programming provides an essential bridge between relief and development operations. The renewed commitment of UNDP to partnerships and its role as manager of the resident coordinator system in particular is the underpinning for enhancing its coherence among other actors in the CPC domain.

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The role of UNDP in crisis and post conflict situations is strictly limited to addressing the development dimensions of these situations. This development focus draws upon and supports the broader mission of UNDP to enable sustainable social and economic development. The substance of the organization's work in crisis and post-conflict environments, therefore, with its strong emphasis on local capacity-building, needs-identification and management is not intrinsically different to its work in other circumstances. The way in which the organization operates in these environments, however, must be different and failure to deal with this reality in the past has led to an uneven performance and to perceptions of institutional unpredictability by some key partners. Reforms to corporate systems that involve staff competencies, deployment, resource management and mobilization and programming procedures are under way to bolster the operational performance of the organization. Better integrated headquarters backstopping for select country offices and closer oversight by the Executive Team and senior managers for such operations will ensure greater discipline vis-à-vis corporate policies coupled with new incentives to reward staff that serve and perform well in these duty stations. These reforms complement the change process launched by the Administrator in his Business Plans. Commitment is also required of the Executive Board to support this realignment of UNDP CPC programmes through financial and in-kind resources and political support.

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I. Introduction

1. Natural disasters and civil strife have become the all-too-common crises of the developing world. At the same time, there have been significant changes in the institutional environment in the development community, reforms at the United Nations and a better understanding generally of the role of development in the crisis context. UNDP is therefore reappraising its role in the crisis and post-conflict (CPC) sphere to ensure that it remains responsive to country demands and relevant to the overall effort for sustainable development and durable peace.

2. The present report draws on the dialogue held with the Executive Board on the role of UNDP in CPC situations at its second regular session 2000 (see document DP/2000/20, paragraphs 152-168). Board members emphasized the importance of this area for the future work of UNDP and called for greater clarity on the conceptual underpinnings that would inform this work and an open discussion on the operational changes required to meet the challenges. Three informal sessions were subsequently held with Board members to focus on natural disasters (June 2000); conflict prevention (July 2000); and recovery and transition situations (August 2000). These informal sessions were invaluable in providing additional information on areas where Board members wanted to see greater emphasis, express concerns about certain dimensions of the CPC agenda and discuss in greater detail the specific components of this portfolio.

3. Building on these discussions, the report maps out the rapidly changing external environment in which UNDP CPC activities are being conducted and the evolving understanding of the development dimensions of crisis (chapter II). It reviews key lessons that have emerged from past CPC programming by the organization (chapter III) and drawing from this analysis, the report then outlines a refocused framework for UNDP CPC activities, one whose coherence is built on a focus on the poor and vulnerable, leveraging partnerships more effectively, and introducing new approaches to this work with regard to conflict prevention, peace-building, risk reduction and recovery programming (chapter IV). The paper then reviews the overall changes required to respond more effectively in this challenging environment (chapter V).

II. Policy overview

A. Context: the interplay between crisis and development

4. The trends that define many new-generation conflicts as complex development emergencies include the rise of internal conflicts, the regional spread of instability and destruction, the collapse of state capacity, high levels of civilian involvement, the generalized and targeted violence against women, the destructive impact on the lives and livelihoods of communities and the mixed responses of the international community. Of the 34 countries that are furthest away from achieving the international development goals established at United Nations global

conferences in the past decade, 22 are affected by current or recent conflict[1] and of the 27 major conflicts occurring in 1999, 25 were internal.[2].

5. At the same time as the risk of conflict has risen, there has been an increase in natural disasters and an accumulation of disaster risk that is posing a threat to lives, livelihoods of the most vulnerable strata of the population especially women and children, and development prospects in many programme countries. Total losses in the Central American countries worst hit by Hurricane Mitch in 1998, for example, were estimated at over $6 billion, representing 13 per cent of the 1997 gross domestic product (GDP) of the region. In addition, compelling evidence shows that frequently occurring small and medium-scale disasters not registered in global databases may cause up to twice as much accumulated damage as large scale catastrophes.[3] The impact of natural disasters on development is thus related to a process of permanently accumulating disaster occurrence, loss and perpetuation of poverty; it is not limited to occasional extreme events.

6. The combination of these crises is disabling the human, social, physical and institutional capital that is needed to generate development gains for present and future generations. It constitutes a threat of sizeable proportion to the achievement of durable peace and sustainable development. Coping with crisis and seeking long-term solutions to their causes have become, of necessity, part of the challenge of eradicating poverty. Sub-Saharan Africa, a region much affected by conflict and natural disaster, for example, has seen a decline of 21 per cent in real GDP per capita between 1981 and 1998 (see Human Development Report 1999). Similarly, countries such as Afghanistan, Haiti and Sierra Leone have seen a much slower improvement in their human development index during the same period compared to unaffected countries. In response to these crises, humanitarian assistance as a share of declining Official Development Assistance increased from 4 to nearly 9 per cent between 1988 and 1998.[4]

7. In the face of increasing crisis and conflict, the imperative of prevention, which is enshrined in Article 1 of the United Nations Charter, is currently gaining momentum through calls for a global paradigm shift towards a "culture of prevention". For the Security Council, the General Assembly, the ECOSOC and other key organs of the United Nations, the message is a consistent one: Members of the international community must do better at preventing crises and prevention is - morally and financially - better than cure. In his report to the Security Council on the causes of conflict and the promotion of durable peace and sustainable development in Africa (A/52/871 – S/1998/318), the Secretary-General made the case forcibly: "For the United Nations there is no higher goal, no deeper commitment and no greater ambition than preventing armed conflict. The prevention of conflict begins and ends with the promotion of human security and human development" (paragraph 2).

8. Irrespective of its multifarious sources, violent conflict is man-made, and thus, avoidable; conflict and peace are created and both can be influenced by outside

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1 OECD/DAC; *Measuring Development Progress: A Working Set of Core Indicators* http://www.oecd.org/dac/Indicators

2 Economic Causes of Civil Conflict and their Implications for Policy, World Bank, June 2000

3 The Network for Social Studies on Disaster Prevention in Latin America (LA RED, 1999, DesInventar: Disaster Database, Cali, Colombia).

4 Global Humanitarian Assistance 2000 (Independent Report for IASC), May 2000, page 4

and indigenous actors. As such, violent conflict represents in part a fundamental breakdown in development processes that are national, regional and, at times, global. This realization has led to a growing need for UNDP and its partners to assess the potential impacts of its own development strategies. Reluctance to address this in the past in part reflected a desire to protect the integrity of development programmes and insulate them from these more controversial issues. UNDP cannot continue to do so. It must develop new methodologies and tools to integrate concern for prevention of violent conflict into its programming and measure the impact of development strategies and different types of projects on the risk of conflict. Social and economic change can be destabilizing. It is therefore important for development and conflict-prevention strategies to address issues such as inequitable distribution, exclusion, inequality, burden-sharing and displacement and their impact on conflict. Development will be sustainable only if strategies incorporate concern for their impact on tensions that could lead to violence and promote measures to counteract such tensions.

9. The most recent and far-reaching statement on the peace and security roles of the United Nations can be found in the *Report of the Panel on United Nations Peace Operations* (A/55/305 – S/2000/809) to the Secretary-General (henceforth referred to as the Brahimi Report after the panel chairman). The report calls for a radical overhaul of the United Nations peace missions and points to the overdue need for an integrated approach to the development and implementation of conflict prevention, peace-keeping and peace-building activities, the latter "in effect, a hybrid of political and development activities targeted at the sources of conflict" (paragraph 44). The reforms proposed in the Brahimi Report envision a holistic approach by the United Nations to peace missions, one that goes well beyond traditional peace-keeping and singles out the untapped potential of UNDP as a partner in this area and identifies UNDP as "best placed to take the lead in implementing peace-building activities" (paragraph 46) in cooperation with other United Nations organizations. The report defines peace-building as "activities undertaken on the far side of conflict to reassemble the foundations of peace and provide the tools for building on those foundations something that is more than just the absence of war" (paragraph 13). In specific terms, it mentions the reintegration of former combatants into civilian society, strengthening the rule of law and promoting democratic development, improving respect for human rights, and promoting conflict resolution and reconciliation techniques as examples of peace-building activities (paragraph 13). More generally, the report calls for a more systematic addressing of the root causes of conflict and the promotion of equity and sustainable development as a necessary foundation for peace. These activities lie at the core of UNDP development work.

10. At the Millennium Summit in the days that followed the release of the Brahimi Report, Heads of State attending the Security Council noted that poverty, disease and human-rights abuses are causes of conflict. In its resolution 1318/2000 of 7 September 2000, the Security Council strongly encouraged the development of "comprehensive and integrated strategies to address the root causes of conflicts, including their economic and social dimensions". The Brahimi Report has far-reaching consequences for UNDP and represents a unique opportunity to close the circle between the de facto operational peace-building in which UNDP and its partners have been engaged and the broader peace and security efforts of the wider United Nations.

11. The interrelationship between the development process and natural-disaster mitigation is also increasingly well established. While it is not possible to avoid entirely crises caused by nature, the wide disparity in the human and economic impact of disasters underlines the potential for improved management of these kinds of crises and also points to the interrelationship between the event and its impact, and the development process that has preceded it. Disaster occurrence and consequent loss are increasingly seen as indicative of flawed, unsustainable development. Land use and economic development patterns in many countries lead to increasing physical, social and economic vulnerability with differing impact on women and men. Environmental degradation and mismanagement may aggravate the frequency, severity and predictability of hazards such as flood, fire, landslides and drought. When countries fail to factor hazard and vulnerability into their development policies, strategies and plans, then economic growth and social welfare risk become eroded by large-scale losses from disaster. For instance, even though drought is often considered a cyclical event, planning processes do not always take their inevitability into account. Ensuing rescue and relief activities therefore often create dependency rather than building on assets. In recognition of the importance that the global community gives to combating drought, the United Nations Convention to Combat Desertification (CCD) was adopted in 1994 to provide a new approach to sustainable development in the world's drylands that focuses on community participation as the starting point.

12. Both national and international approaches to disaster continue to emphasize the need to improve emergency management and response. Large-scale disasters are treated as isolated, abnormal events, unrelated to ongoing development processes. While effective emergency management plays a vital role in avoiding loss of life and suffering, it generally fails to make the connection between disasters, risks and development. As such, it is unable to address the accumulation of risks in either development or in post-disaster recovery. Increasing investments in emergency relief and reconstruction over recent decades have not been reflected in reduced disaster occurrence and loss. As the combined costs of losses from disaster, humanitarian assistance and reconstruction investment become unsustainable, there is increasing support for a new approach.

13. The management of recovery processes overall has also received increasing attention in recent years as gaps have repeatedly emerged between relief and development efforts. While development agencies have important roles to play in conflict situations, questions of coordination, coherence and complementarity are essential. Even with appropriately planned and coordinated efforts, there are a number of critical areas where gaps frequently arise in transitional situations. It is clear that in transitions, there is rarely a smooth hand-over between relief and development interventions. This hand-over can ultimately be assured only by strong local leadership and participatory decision-making. Ironically, at the moment when local capacity is most important, international assistance has tended to marginalize national leadership.

14. Crisis and post-conflict situations present a major challenge to development assistance but also constitute a unique opportunity for UNDP to demonstrate the importance of its own core mandate – that of building national capacity for long-term growth and sustainable development. The fact that the number of countries vulnerable to crisis and the risk of conflict is likely to grow in the short- to medium-

term only further underlines the need to strengthen the role of UNDP in helping programme countries to address the challenges of these vulnerabilities.

15. Recognition of the development dimensions of crises means accepting a number of assumptions about how crises occur, how they can be prevented and how best to recover from them during a fragile transitional process. These assumptions are essentially threefold: (a) crises are indeed manageable, i.e., they do not happen in a vacuum and in most cases do not represent an isolated event separate from the development process that preceded them; (b) the successful prevention or mitigation of crises and successful recovery from crises ultimately depend on the degree to which local leadership and ownership of the associated strategies is achieved; and (c), closely related to (b), effective support to prevention or recovery from crises requires long-term engagement and commitment.

B. The changing institutional environment

16. The past decade has been a period of significant institutional adaptation as the development community has turned its attention to crises with a renewed appreciation of how, individually and collectively, members can better assist countries vulnerable to, or caught up in, crisis. These developments have opened up a host of new, different kinds of partnerships. The World Bank, for example, once rarely operating in complex emergencies, is now active in places such as East Timor, Kosovo and Sierra Leone, operating with significant grant funds. The Office of the United Nations High Commissioner for Refugees (UNHCR) has over the past decade expanded its activities beyond protection and repatriation to include reintegration measures. The Department of Political Affairs (DPA) has over the last two years opened four Post-conflict peace-building offices headed by representatives of the Secretary-General, tasked to provide leadership on the development of peace-building strategies. The Office for the Coordination of Humanitarian Affairs (OCHA) emerged from the former Department for Humanitarian Affairs (DHA) in 1997, with a strong, field-based capacity for humanitarian coordination and uses the Consolidated Appeal Process with increasing success as a planning and coordination tool. The result has been a convergence of actors working in crisis and post- conflict situations, with different mandates, operational modalities, resources and aims. Forging new partnerships and establishing more robust coordination systems is a critical challenge for the coming period.

17. This convergence of actors working in the crisis and post-conflict environment and an increasing appreciation of the need to approach operations in an integrated fashion place a higher and higher premium on UNDP support to the wider United Nations and to coordination processes generally. The extent of UNDP commitment to this challenge was reflected in the results-oriented annual report (ROAR) for 1999, which reported a $73 million investment in support to the United Nations system for the reporting period. While country offices are estimated on average to spend 30 per cent of their staffing resources on support to the United Nations system, the reality in the CPC context may in fact be much higher. In duty stations such as Afghanistan and Angola, for example, resident coordinators report spending as much as 90 per cent of their time on humanitarian functions. Since the Resident Coordinator normally serves as Humanitarian Coordinator, the two functions are currently de-linked in only four out of 17 countries to which a

humanitarian coordinator has been appointed. Of the 134 resident representatives, 119 also serve as designated official on behalf of the United Nations Security Coordinator's Office (UNSECOORD).

18. In a more recent innovation designed to tighten the linkages between the political framework of the United Nations presence in a country and its operational activities, the Resident Coordinator in Haiti and in Tajikistan were appointed Deputy Special Representative of the Secretary-General. In Guinea-Bissau and in Liberia, the Resident Coordinator has also been appointed Deputy to the Representative of the Secretary-General heading the post-conflict peace-building offices in these countries. The Brahimi Report notes these precedents and recommends that "this practice should be emulated wherever possible" (paragraph 99) suggesting that these arrangements will become more common.

III. Taking stock

A. The track record

19. Against this backdrop of increasing demand for an effective response to the challenges of the crisis and post-conflict programming environment, UNDP has developed a rich body of experience in the area.

20. Over the last four years, funding from target for resource assignment from the core (TRAC) line 1.1.3 has provided a financial backbone for UNDP activities in CPC situations. Since 1997, a total of $155 million has been invested through TRAC 1.1.3 by financing 250 projects across all regions: 43 per cent has been allocated to community recovery projects; 25 per cent to disaster mitigation and response; 11 per cent to peace processes; 8 per cent to mine action; 7 per cent to institutional support; and 3 per cent to coordination and the preparation of strategic frameworks. The success gained in using TRAC 1.1.3 to mobilize non-core funds has been impressive. While it is difficult to estimate with complete accuracy, a conservative estimate suggests that average annual TRAC 1.1.3 allocations of $40 million since 1996 have leveraged $100 to $150 million in non-core resources each year, in the form of cost-sharing, trust fund and in-kind resources. For example, a Bosnia TRAC 1.1.3 commitment of $7.1 million leveraged an additional $70 million from other donors. The $6.1 million for Guatemala leveraged $150 million; the $12.5 million for the Programme of Assistance to the Palestinian People (PAPP) leveraged $130 million; and $2 million for Kosovo has mobilized more than $50 million in one year alone. In 1999, UNDP core investments of close to $6 million for mine action have been complemented by over $37 million in non-core resources. TRAC 1.1.3 and non-core resources are, however, only a partial reflection of the overall resources committed by UNDP to the type of activities described in the present report. Cumulative investments through TRAC lines 1.1.1 and 1.1.2 in the 17 countries where the Inter-Agency Steering Committee (IASC) has currently designated a humanitarian coordinator were over $430 million for the period 1992 to 1996.

21. From this portfolio of activities which has been well documented elsewhere, following broad conclusions emerge:

(a) UNDP operations in CPC situations are based on its general programming, aimed at sustainable human development, with activities adjusted to meet specific CPC needs and challenges;

(b) UNDP operations in CPC situations have been strongly country-driven;

(c) UNDP operations have given primacy to capacity-building under local leadership;

(d) UNDP has leveraged its trusted partner status to assist Governments in dealing with some of the more sensitive aspects of post-conflict recovery, such as electoral support, rule of law and national reconciliation processes;

(e) UNDP programming has provided a balance to the more visible targeted operations of the relief community by supporting whole disadvantaged communities rather than target groups such as internally displaced persons (IDPs) or returnees directly;

(f) UNDP has brought continuity to peace-building and recovery processes;

(g) UNDP has played its part as a key member and coordinator of the United Nations community;

(h) UNDP has supported regional cooperation where appropriate.

Fuller details on these conclusions are given in the following paragraphs.

22. *Country-driven operations.* While UNDP country programmes are characterized by the same comprehensive approach across all regions, they also emphasize that programmes be tailored to unique country-specific needs. For instance, UNDP re-entered the development arena in Cambodia with the introduction of the Cambodia Resettlement and Reintegration Programme (CARERE) in the early 1990s. This area development approach focused on the reintegration of returnees from Thailand as well as the demobilization of soldiers. In post-conflict Rwanda, UNDP adjusted its ongoing programme to address the needs emerging as a result of the crisis. This included the restoration of key State functions, assistance to the Government to define the principal policy direction of key ministries (such as those of planning, justice, finance, home affairs, local development, public administration and the Office of the Prime Minister) and the mobilization of resources needed for successful policy implementation. At the height of the conflict in the Central African Republic, the UNDP office redirected its assistance to support the ongoing mediation process. More recently, UNDP entered Kosovo at an early stage through its Village Employment and Rehabilitation Programme (VERP) and its Small Enterprise and Development Programme (SED). The former addressed the combined problems of unemployment, deteriorated infrastructure and environment through the promotion and implementation of labour-intensive, small-scale, public works projects at the village level targeting the most vulnerable geographic areas and groups for its interventions. During the latter, UNDP developed a partnership with two non-governmental organizations (NGOs), for the provision of delivering small and medium-size enterprise development loans to restart local industry and businesses in two of the neediest regions.

23. *Building local and national capacity.* Local and municipal structures are increasingly important in carrying out the medium- and longer-term planning to

support social and economic recovery in post-crisis situations. In Afghanistan, Bosnia, Kosovo and Mozambique, UNDP has incorporated a strong focus on local/district or municipal planning and governance into area-based schemes. Key partners in this effort have included national governments, civil society organizations (CSOs), local NGOs and legal and human rights groups.

24. *Leveraging sensitive areas of development.* Working in the area of rule of law and the security sector, UNDP programmes have broken new ground to restore human security in conditions of generalized insecurity and impoverishment. In the Democratic Republic of the Congo, El Salvador, Haiti, Rwanda and Somalia, UNDP programmes have supported such areas as civilian oversight of security institutions, training of civilian leaders, officials and police forces on security-related matters, support for the reform of police forces and human rights training. In 1998 UNDP, with the Department for Disarmament Affairs of the United Nations Secretariat (DDA), piloted a 'weapons-for-development' project in Albania. UNDP is now using this same approach of integrating weapons collection, security, and community-based development in countries such as the Democratic Republic of the Congo and Somalia and in the West African region. In these programmes, a vital aspect is not only to decrease access to small weapons but also to create and provide a supportive economic environment to ensure that ex-combatants and civilians have the means of sustaining themselves in society after disarmament.

25. *Supporting disadvantaged communities.* UNDP programmes have supported the economic recovery process in countries emerging from conflict. Mine action programmes in Angola, Azerbaijan, Bosnia and Herzegovina, Cambodia, Lao People's Democratic Republic, Mozambique and Yemen have freed up valuable agricultural land and contributed to food security and safe livelihoods. Microcredit programmes have initiated and strengthened small businesses (for example, for women in Cambodia and Tajikistan), one-off grants have built schools and health centres and small arms have been swapped for development projects. The somewhat intangible, but perhaps most important investments, have been made in supporting social structures that were devastated by war. Identifying community priorities has been the business of representative local committees. Planning has been done at the community level with an increasing awareness of the significant role of women in post-conflict development efforts. Area development programmes in more than 25 countries, in collaboration with the United Nations Office for Project Services (UNOPS) and other partners promote economic and social recovery, and facilitate reintegration processes, allowing ex-combatants, returnees and IDPs to find their niche in a peace-time economy.

26. *Continuity for peace-building.* Working alongside peace processes, UNDP interventions have played a vital role in consolidating peace and security. For example, in Cambodia, Central African Republic, El Salvador, Guatemala, Haiti, Rwanda and Tajikistan, UNDP programmes have played an explicit role in a wider peace process. This has taken the form of support to electoral processes, disarmament and reintegration, or national capacity-building. In Central America, UNDP has gained considerable experience in the peace processes, beginning with its first efforts to take on tasks such as the demobilization and reintegration of ex-combatants in El Salvador and Nicaragua and culminating in Guatemala with the establishment of low-profile but effective facilitation and catalytic activities in almost every major area of the peace accords (land-tenure issues, justice and

security reforms, women's rights, resettlement and reintegration, fiscal reform, indigenous rights, among others).

27. *Working in partnership.* Within the United Nations system, UNDP has underwritten the major share of the costs for strategic framework processes, implements 15 of the United Nations 21 mine action programmes and has supported 19 of the 35 requests received by the DPA Electoral Assistance Division, to mention a few. Most importantly, as Resident Coordinator, as Humanitarian Coordinator, or as Deputy Special Representative of the Secretary-General (or a combination thereof) the UNDP Resident Representative is key to the effective working of the overall system of supporting countries in crisis and post-conflict situations. UNDP has also actively supported resource mobilization and coordination efforts to support countries recovering from crisis (such as the Rome Conference on Mozambique in 2000) and, with its development partners, is working with OCHA to link the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF) tools with the Consolidated Appeal Process.

28. Building partnerships has been a feature of UNDP work in CPC situations and includes joint operations with UNHCR in Azerbaijan, Cambodia, Central America and Rwanda and with the World Bank in countries such as Mozambique, Sierra Leone and Turkey. In Guatemala, a new kind of partnership with the international financial institutions (IFIs) included the heavy involvement of UNDP and former project staff of the Programme for Displaced Persons, Refugees and Returnees (PRODERE) in the design of the Inter-American Development Bank's innovative community development programme for peace (DECOPAZ), which sought to restore the social fabric in former conflict zones. Also unique in Guatemala was the UNDP partnership with the United States Agency for International Development (USAID) and the International Office for Migration (IOM) on demobilization and reintegration issues, where UNDP (using TRAC 1.1.3. and bilateral funds) and USAID shared the role of principal funders and IOM served as the principal implementing agency for both.

29. Complementing the involvement and rich experience already accumulated by UNDP in the above sectors is the direct involvement of the United Nations Volunteers programme (UNV). Over the past decade, UNV volunteers from all over the world have been contributing their skills, time and dedication to every major CPC situation. In the last 18 months alone, close to 1,500 UNV volunteers were actively working to support the peace efforts in East Timor, Kosovo and Sierra Leone. Whether in electoral, civil affairs or conflict-resolution missions, the UNV programme and UNV volunteers have consistently been involved in the field work of DPA, DPKO, OCHA, UNHCR, the World Food Programme (WFP), UNDP itself and most of the other United Nations specialized agencies, funds and programmes. The Brahimi Report explicitly recognizes the contributions of UNV and the volunteers and foresees a continuous involvement as part of a comprehensive staffing strategy for peace operations.

30. *Regional cooperation.* Working with regional organizations has also been a critical component of the broader peace-building efforts of UNDP. Three decades of support to the Mekong River Committee in South-East Asia, for example, has resulted in a stable intergovernmental organization that kept working throughout the turmoil in the region in the 1960s and 1970s. Since 1995, UNDP has been providing support to the Organization of African Unity (OAU) for early warning and conflict

prevention. More recently in West Africa, UNDP has been working closely with the Economic Commission for Africa (ECA) to support peace-building initiatives in the Mano river countries.

B. Key challenges

31. The lessons of experience pose two particular challenges. First, there is a clear need for improved coherence in all UNDP activities. In the broad spread of UNDP development activities, a better balance must be found between maintaining a manageable set of strategic entry points and related products and services in CPC situations on the one hand and responding to the wide range of requests for support on the other. Enhanced coherence will have many spin-offs, from allowing UNDP to leverage the resultant economies of scale to building a better platform on which to strengthen its corporate identity. Greater coherence will also contribute to making UNDP a more predictable partner. The elements needed to bring renewed coherence to UNDP development programming in CPC situations are outlined in chapter IV.

32. The issue of predictability is the second key challenge for the future. Effective partnerships with new and existing partners require UNDP to focus on its clear comparative advantages and to deliver in those areas consistently and effectively. A frank assessment of UNDP experience in CPC situations must recognize that UNDP plays a pivotal role in some situations and is of marginal significance in others. The reforms needed to ensure that the UNDP response to CPC challenges is built on corporate systems and strategies that work are reviewed in chapter V.

IV. Coherence in products and services

33. In setting its strategy for future work in CPC situations, UNDP must remain responsive to country demands and build on its clear comparative advantages and experience. It is important, as indicated above, that this strategy be built on the strong coherence of all UNDP interventions and that it reflects the new policy and institutional environment in which UNDP operates: it must introduce a series of contemporary approaches to the work of UNDP in conflict prevention, the reduction of risk and vulnerability, recovery and peace-building.

34. The need for greater coherence has two dimensions. In the first instance, it calls for greater coherence within the UNDP portfolio of development activities for CPC situations. In this context, UNDP work in this realm will constitute one of the major thematic areas of focus in the global cooperation framework, 2001-2003. Second, greater coherence is called for between UNDP CPC activities and that of the work of the organization in its wider poverty eradication efforts. UNDP support to countries in preventing or recovering from crises must not be an "add-on" to its other activities. Its niche in this environment is not to pose as a relief agency; rather, its value-added stems from the same assumptions that apply to UNDP activities elsewhere: the trust it enjoys from Governments, its multisectoral approach to promoting sustainable development, its emphasis on capacity-building, its support to coordination and, most importantly, its emphasis in all situations on promoting human development and poverty eradication.

A. Maintaining a focus on poverty eradication

35. The UNDP focus on the vulnerable and disadvantaged as its primary beneficiaries – which is the hallmark of all its programming in more than 170 countries - must remain the cornerstone of its work in CPC situations. In the context of disaster prevention, key entry points that can reduce vulnerability must be prioritized. In recovery processes, UNDP assistance must target those hardest hit by the crisis, particularly women. As in the past, UNDP peace-building efforts must continue to be built from the ground up.

36. Area development programming will remain the common platform for community-level activities, targeting areas most affected by reintegration processes in particular. Interventions will focus on:

(a) Restoring livelihoods in the wake of crises. UNDP interventions will encompass, where appropriate, mine action to free up agricultural lands, micro-credit and employment-generation activities such as labour-based infrastructure work;

(b) Restoring social capital, by reactivating community structures and decision-making systems, especially by ensuring the equal participation of women;

(c) Restoring security through the demobilization of ex-combatants and the removal of small arms from the community;

(d) Strengthening the coping strategies of the vulnerable (especially women and children) in absorbing shocks, through food security or micro-insurance schemes;

(e) Restoring essential social services.

37. The unique development role of UNDP is also reflected in its integration of upstream and downstream perspectives as a necessary fusion of immediate and strategic development responses in CPC situations. In fact, the operational aspects of development action on the ground inform, build and lend credibility to the more general strategic aspects of support to national planning and capacity-building, policy dialogue and advocacy through state, civil society, regional and global institutional channels.

38. Downstream poverty eradication efforts will therefore be complemented by upstream policy advice and technical cooperation for institution-building, critical to establishing an enabling environment for peace and sustainable development. The global cooperation framework is one of the mechanisms that will contribute to the provision of policy advisory services. UNDP interventions in this sphere of policy advice and technical cooperation will focus on:

(a) Strengthening governance institutions and processes at the national and local levels;

(b) Supporting reform in the legal, institutional and security sectors to ensure the rule of law;

(c) Identifying strategic institutional entry points to improve the delivery of essential services;

(d) Supporting coordination structures, such as reintegration or reconstruction commissions, that seek to improve interministerial collaboration for recovery efforts;

(e) Enhancing national planning processes for reintegration, demobilization or recovery processes;

(f) Improving vulnerability-mapping and hazard-mapping;

(g) Enhancing public sector management.

39. UNDP will leverage its trusted status as a development partner to assist programme countries, particularly in the sensitive area of the rule of law. It has become clear that violent conflict often arises when respect for the rule of law breaks down as a result of unsound or ineffective constitutional, legal or institutional systems or because of the lack of effective implementation. Conversely, conflicts arising for other reasons may result in the collapse of the rule of law. A society where the rule of law is absent will inevitably be prone to conflict and will lack the enabling environment that is a prerequisite for sustainable development and poverty eradication. Support to the rule of law implies strengthening national efforts to ensure that the government is representative and acting in compliance with the constitution and the law. It also implies the need for a legal framework consistent with international norms and standards, an accountable executive, clear separation of powers, an independent judiciary, fair and effective administration of justice, a civilian-controlled military and police, public procedure in the adoption of legislation, effective means of redress available to all citizens, and a culture of rights.

40. Restoring basic individual security in the aftermath of crisis is also of paramount importance. Rebuilding credible institutions at the national and local levels is critical to this endeavour in order to ensure the respect of human rights, the viability of economic restoration and the legitimacy of the entire transition process. Tackling these efforts in parallel with efforts to reform the legal system and civil society as a whole will ensure that there is an informed national debate and participation in the process of re-establishing these key institutions.

B. Support to coordination

41. Collaborative advantage is as important as comparative advantage if UNDP is to assert its moral, institutional and operational legitimacy as the international development agency best placed to coordinate the development dimensions of peace-building in crisis transition, recovery, and prevention. While the organization has worked hard over recent years to build a clearer neutrality around the role of the Resident Coordinator, the two roles of UNDP – i.e., UNDP as UNDP and UNDP as the custodian of the resident coordinator system - remain deeply interlinked. Almost without exception, there is an aspect to every UNDP field project that is designed, consciously or otherwise, to support the Resident Representative in his or her coordination responsibilities, either as Resident and/or Humanitarian Coordinator. This strategic importance of the UNDP function in support of coordination processes was also one of the primary conclusions of a corporate evaluation undertaken in 1999 of the role of UNDP in the post-conflict sphere.

42. UNDP will continue to invest heavily in coordination processes in the CPC environment. This investment will take the form of:

(a) Leadership - UNDP will continue to advocate the combining of the Resident Coordinator/Humanitarian Coordinator functions to improve the interlinkages between relief and development work;

(b) Funding support - through the Resident Coordinator Fund managed by the United Nations Development Group Office;

(c) New coordination modalities - through the adaptation of existing tools such as the CAP, CCA and UNDAF for more effective prevention and recovery;

(d) New coordination tools – through, for example, increased investment in information technology systems (building on excellent work already done in East Timor, Lebanon and Venezuela over recent months);

(e) Resource mobilization support - perhaps the most critical moments for building coherence throughout the United Nations system. The International Reconstruction Conference held in Rome, 3-4 May 2000 in response to the Mozambique disaster is an excellent precedent for recovery-focused resource mobilization;

(f) Knowledge networking –through, for example, the network of policy specialists that will facilitate the analysis and sharing of lessons learned and best practice at country, regional and global levels.

C. New approaches for CPC activities

43. To enhance responsiveness, UNDP must view its work as a development agency in CPC situations through a series of contemporary approaches with specific regard to conflict prevention, risk and vulnerability reduction, recovery and peace-building. These approaches imply an enhanced understanding of the CPC environment in which UNDP works, identifying new challenges to be addressed and formulating responses that aim to not only answer those challenges but also to transform the situations themselves.

44. The adoption of these approaches provides a cross-cutting perspective on the work that UNDP does with communities and Governments to create an enabling environment for development through capacity-building and policy formulation. Such a perspective guides and reorients UNDP development activities to respond to a set of imperatives that cut across crisis situations. It further underpins the coordination role of UNDP and informs the partnerships developed with various actors.

D. Conflict prevention

45. A conflict-prevention approach identifies more systematically structural risk factors such as inequitable resource distribution, discrimination, inequality, exclusion, unfair and ineffective administration of justice, burden-sharing and displacement and resettlement. It also assesses the impact of development strategies and different types of technical cooperation interventions on the risk of violent conflict. It focuses on decreasing the key risk factors that fuel violent conflict such

as: (a) inequity, by addressing disparities among identity groups and effects on gender relations; (b) inequality, by addressing policies and practices that institutionalize discrimination; (c) justice, by promoting the rule of law and the effective and fair administration of justice; and (d) insecurity, by ensuring human security and strengthening accountable, transparent and participatory governance that promotes equitable economic growth, inclusive social development and national ownership of development programmes.

46. Prevention also supports efforts to strengthen institutions of democratic governance and traditional mechanisms that manage the peaceful resolution of conflicts in society as a key aspect of development. This focus aims to empower local actors to address conflict through peaceful means. Conflict prevention strategies must therefore be developed in close consultation with Governments and communities.

E. Natural disasters: reducing risk and vulnerability

47. It is impossible to prevent all natural disasters but it is possible to manage and reduce the levels of risk. The imperatives of an approach that seeks to reduce risk and vulnerability are to strengthen national capacities for managing and reducing disaster risk on a permanent basis and ensure that risk considerations are factored into all its development assistance. The key to achieving a sustainable reduction in disaster occurrence and loss lies in factoring risk management and reduction considerations into both development and post-disaster recovery on a permanent basis. Risk management is a process that involves evaluating all the different risk factors that characterize a risk scenario and developing strategies for mitigating the different factors. UNDP efforts to ensure that programme countries have access to the right information to reduce risk will increasingly take the form of vulnerability-mapping or hazard-mapping at the national level. To facilitate this process, at the global level, a key new initiative involves the launching of a global world vulnerability report that will highlight contemporary trends in the evolution of natural disaster risk and vulnerability patterns across countries and regions around the world and, in particular, the role of relevant and effective policy and strategy frameworks in reducing risks of natural disaster.

F. Recovery

48. Expectations are high on the part of programme Governments and the donor community that UNDP will leverage its multisectoral programming, its long-term engagement and its role in developmental and humanitarian coordination to provide an effective bridge that spans the relief-to-development gaps that have hindered recovery efforts to date. A recovery approach focuses on how best to restore the capacity of the government and communities to rebuild and recover from crisis and to prevent relapses. In so doing, recovery seeks not only to catalyse sustainable development activities but also to build upon earlier humanitarian programmes to ensure that their inputs become assets for development. Rather than a hand-over, UNDP understands this transition as a process of identifying development needs and beginning the work of recovery as early as possible, drawing upon existing development resources and creating new, appropriate and adapted resources for development to respond to these needs. The recovery approach focuses on closing

the gap between relief and development through the effective working together of these elements to move towards a period of reintegration and rehabilitation.

49. While direct support for the coordination of national efforts among international assistance providers and between the national and international community is available for humanitarian relief efforts through established mechanisms such as the United Nations Disaster Assessment and Coordination (UNDAC) teams, no similar mechanism exists to support assessment and coordination efforts for transition recovery. Therefore, UNDP is currently developing a pilot programme of transition recovery teams designed to respond to the particularities of the transition environment and to meet the specific needs of this important process of moving to sustainable recovery. These teams, through the United Nations Resident Coordinator and the UNDP Resident Representative, will achieve this by taking over from where the UNDAC teams leave off . They will ensure the preparation and begin the implementation of a strategic approach and will programme the transition initiatives needed to build an effective bridge between the assistance provided through previous and ongoing humanitarian activities and the development cooperation efforts of long-term capacity-building, incorporating peace-building and sustainable development concerns, as appropriate. The teams will ensure that these activities are integrated within a framework of national planning priorities by supporting the continued strengthening of effective coordination mechanisms among United Nations Country Team members and partners as well as local and national authorities and civil society. Apart from assisting in the fostering of collaborative working partnerships with humanitarian organizations, bilateral development agencies and multilateral financing institutions, the teams will be responsible for facilitating the interagency assessment, planning, programming and management of specific transition actions. Finally, the teams will also play a crucial role in establishing a consultative process and the substantive framework necessary for special donor consultations to mobilize resources for transition programme activities.

G. Peace-building

50. UNDP welcomes the emphasis placed in the Brahimi Report on the development aspects of peace-building, such as the active engagement of local parties, effective civilian governance and the disarmament, demobilization and reintegration of former combatants. If peace-building is about economic recovery, the removal of small arms from the community, the rebuilding of governance institutions, the launching of reconciliation processes, the releasing of land for agricultural purposes, and the rebuilding of social capital, then in Bosnia and Herzegovina, Cambodia, El Salvador, Haiti, Mozambique, the Philippines and Uganda, to mention only a few, UNDP and its development partners have been peace-building for decades. This has been peace-building from the ground up. The critical integration of this operational peace-building into the wider United Nations peace effort appears finally to be in sight.

51. UNDP peace-building aims to build and enable durable peace and sustainable development in post-conflict situations. Inside and outside of crises, sustainable development aims to promote effective and accountable public institutions and policy frameworks, socially inclusive policies and programmes for national development, and economic and social strategies that create the lasting

conditions for the poorest and most vulnerable groups, especially women, to make choices that secure their lives and livelihoods. From a development perspective, it is these economic and social building blocks that lay the foundations for peace and prosperity by addressing the build-up of insecurities that can cause, trigger or escalate conflict behaviour. UNDP is responding to the challenge to harness its untapped potential as an implementing partner for United Nations peace-building strategies. For UNDP, as the development agency of the United Nations, the challenge of peace-building is clear: how can development policy and programming assume their rightful responsibilities in laying the foundations for an integrated vision of economic, social and human security?

V. Predictability: organizational challenges and the CPC tool box

52. To achieve this vision of a predictable UNDP responding effectively to challenges in prevention, recovery and coordination in the CPC environment, the organization must put in place important operational reforms upon which these activities will rest.

53. The underlying strategies of these goals presume that UNDP will continue to improve the quality of its staff on the front line, its ability to raise financial resources to support these activities, the programming tools it deploys to respond to this fast-changing environment, and the way in which it manages these challenges to ensure coherence, discipline and greater integration within the organization. These institutional challenges are not unique to the CPC environment but form an integral part of the change process launched by the Administrator in his Business Plans. Many of the changes needed are thus already in progress.

A. The right skill-set at the country level

54. UNDP will do better in ensuring that it has the right people in the right place to respond to the complex and fluid challenges of the CPC environment. Investment in this goal will undoubtedly have the greatest multiplier effect.

55. These changes must begin at the top. UNDP resident representatives are perhaps under more scrutiny for their performance than any other agency representative in the field. This is obviously a function of their critical leadership role at the country level, in serving simultaneously as Resident Coordinator, Designated Official, in many cases as Humanitarian Coordinator, and more recently, as Deputy Special Representative of the Secretary-General. The organization has a cadre of outstanding resident representatives/resident coordinators that are able to balance the extraordinary demands of this work. In many cases, UNDP resident representatives are having a profound effect as leaders of the United Nations development and humanitarian communities. UNDP recognizes, however, that its pool of qualified individuals to manage these situations needs to be wider, as the number of such transition situations increases. In order to meet this challenge, candidates are selected from the wider United Nations system, ensuring that the right individuals serve in these duty stations. The Resident Representatives/Resident Coordinators in Angola, the Democratic People's Republic of Korea, and the Republic of the Congo, for example, are from the World Food Programme (WFP) in

the first two cases and IOM in the last. UNDP will continue to cast its net wide to identify the right person for these assignments and a pool of pre-qualified candidates is being developed for this purpose, led by the Development Group Office, the Emergency Response Division, OCHA and UNSECOORD.

56. To ensure strong programming teams at the country level, a series of measures have already been launched. First, training for CPC work is being provided to staff at all levels. With the support of the Governments of Norway and Sweden, 130 UNDP staff serving in the Burundi, Central African Republic, Democratic Republic of the Congo, Republic of the Congo and Rwanda have now participated in an intensive training programme tailored to the programming needs of CPC environments. A further 50 UNDP staff have benefited from the early warning and preventive measures training provided by the United Nations Staff College in Turin, with financial support from the United Kingdom. Second, UNDP is investing significantly in its specialist deployment capacity. The 15 temporary emergency posts created by the Executive Board form the backbone of this deployment capacity. A major retooling of these posts has taken place over the last 12 months. These posts are now deployed in a much more strategic fashion (during 2000, for example, in Afghanistan, the Democratic Republic of the Congo, East Timor, El Salvador, Guatemala, Haiti, Kosovo, Republic of the Congo, Sierra Leone, and Somalia); most importantly, headquarters is able to field personnel against these posts within three to four weeks of requests. To cover the interim period, three of the posts have been set aside for four-week deployments at 48 hours notice, based out of the ERD Geneva Office. Furthermore, ERD projects that it will be able to double the number of people serving against the posts in 2001 through a judicious management of extrabudgetary income from it's the UNDP Trust Fund for Crisis, Post-Conflict and Recovery Situations. Two innovative staffing agreements with the Danish and Norwegian Refugee Councils have also expanded the UNDP deployment capacity. Under these agreements, five specialists were fielded (financed by the Government of Denmark and the Government of Norway) on six-month tours, covering mine action, reintegration and reconstruction in 2000. UNDP is actively seeking additional staffing agreements of this kind. A special collaboration with UNV will see a specialist cadre of a further 12 UNV volunteers available within 72 hours for deployment to support country offices in 2001. The transition recovery teams (an initiative outlined in paragraph 49) are also expected to make a key contribution to this challenge. Furthermore, the growing network of UNDP field-based policy specialists will assist country offices in the area of policy advisory services. Increased South-South cooperation is also envisaged as ERD in collaboration with the Special Unit for Technical Cooperation among Developing Countries (SU/TCDC) documents, disseminates and facilitates the sharing and transfer of expertise already existing in developing countries in areas such as disaster preparedness, mine action and peace-building.

B. Knowledge networking

57. The subregional resource facility (SURF) system and its knowledge networks are a key initiative designed to take full advantage of the key UNDP asset, the knowledge base of its extensive network of country offices, optimizing the use of the organization's existing but globally spread capacity. Through the establishment of thematic networks, country offices will share comparative experiences and other

information, discuss policy and obtain timely advice from colleagues around the world on CPC topics. This will enable UNDP to work smarter to promote collaboration between country offices and build on successes and lessons learned.

C. Sufficient financial resources at the country level

58. Financial resources to implement programmes are also obviously a key requirement to achieve this ambitious agenda. TRAC 1.1.3 clearly represents the backbone of UNDP financial tools for its CPC work. As noted in paragraph 20, since 1997, over 250 projects have been funded through TRAC 1.1.3, from flood mitigation in Viet Nam, to small arms collection in Mali, from peace-building in Guatemala to mine action in Chad. A review of TRAC 1.1.3 undertaken in 1999 underscored the wide impact of these activities, the responsiveness of this facility to unforeseen country demands, and its widely accepted contribution to supporting coordination efforts well beyond UNDP. The review also identified the need for ongoing reform of the facility to ensure that it is utilized more strategically, built around a more coherent framework and benefits from a simplified programming procedure in order to complete the task begun with its creation in 1997. Reductions in core funding have also taken their toll on TRAC 1.1.3, with its annual budget dropping by as much as 48 per cent in real terms, from approximately $50 million in 1996 to $26.1 million in 2000. In the future, TRAC 1.1.3 will be used more strategically, responding to a smaller number of strategic opportunities and challenges and coupled with a strong human resource support to the country office. UNDP will also henceforth set aside at least 25 per cent of TRAC 1.1.3 resources for preventive interventions.

59. In the current climate of diminishing core resources, the importance of non-core resources takes on greater urgency. In addition to the cost-sharing record on TRAC 1.1.3 projects identified in chapter III, a growing interest in thematic trust funds among donors also promises important dividends for UNDP CPC work. In late 1999, UNDP opened the *Trust Fund for Support to the Prevention and Reduction of the Proliferation of Small Arms*. The $2.8 million in pledges and receipts to this Trust Fund from Belgium, Switzerland and the United Kingdom has allowed UNDP to make a significant start in applying its holistic approach to small arms within the security sector in Albania, El Salvador, the Republic of the Congo, Somalia and most recently, the Solomon Islands.

60. The *Trust Fund for Crisis, Post-Conflict and Recovery Situations* was established in March 2000 and to date has raised $38 million in pledges and contributions for key activities in, for example, Afghanistan, Eritrea, Indonesia, Mozambique, Sierra Leone, Sudan and Venezuela from a number of donors, in particular the Governments of Australia, Italy, Netherlands, Norway and the United Kingdom. The strong donor response reflects a growing appreciation for the UNDP approach to recovery programming outlined in the present report. This in turn appears linked to a unique approach whereby donor contributions are supported by a strong technical support service to the country office concerned by ERD. Despite this strong start, demand for this type of assistance from programme countries far outstrips the current resources. It is projected that income from this trust fund will finance a significant part of ERD technical services over the coming year, thus alleviating the burden on administrative and TRAC 1.1.3 resources. A parallel facility for in-kind support to UNDP CPC programmes is also being developed for

technical cooperation among developing countries to tap the vast expertise already available in such fields as mine action, disaster-mitigation and reconciliation processes in many programme countries (see paragraph 56).

D. Maximum programming flexibility at the country level

61. Better equipped staff with a stronger resource base require an improved programming tool box to deliver results in the form and time frame required for the challenges of crisis and post-conflict programming. Here, the Executive Board has already carried its share of the workload. In creating TRAC 1.1.3 in 1997 and allowing the flexibility of direct execution in crisis situations through its decision 98/2, UNDP has the latitude it requires to deliver the necessary results. Significantly, the potential of direct execution has not been maximized. To support this modality further, a restricted number of country offices will be reviewed by the directors of the respective regional bureaux to establish advance eligibility for direct execution management, for review on a 12-month basis. In future, UNDP will also automatically allow financing for direct execution under TRAC 1.1.3/Category II "sudden response" allocations since the circumstances of these emergency releases are fully in the spirit of the Board's guidance on the direct execution option. The forthcoming strategic evaluation of direct execution will also provide a unique opportunity to review the partnership UNDP enjoys with UNOPS, particularly with regard to TRAC 1.1.3 (47 per cent of which is currently executed by UNOPS).

E. Integrated headquarters support for country operations

62. Country offices that are charting the uncertain waters of a disaster-recovery or peace-building process require coherent backstopping from their headquarters colleagues. The regional bureaux, as always, are the first line of support to their country offices. An operation such as that in Sierra Leone today, or Mozambique in the first half of 2000, however, require integrated support from an array of headquarters units, from human resources to finance to programme management to mine action specialists. One of the primary roles of ERD is to support the regional bureaux in pulling these resources together, particularly at times of crisis. The organizational proximity of ERD to the Associate Administrator underscores its cross-unit catalytic role. Increasingly, the Associate Administrator is convening dedicated task forces to bring together an integrated headquarters team for a brief period when it matters most, to excellent effect. While operational strategies are best left to the field, there is a need for more consistent institutional strategies in these situations. Where the need exists therefore, the Executive Team itself will review the institutional strategy for a given situation that will be applied with discipline throughout the organization from headquarters to the field. A set of standard operating procedures is also being prepared by ERD in consultation with other units to ensure that certain measures are taken automatically when a country situation meets certain criteria. Improved collaboration between ERD, the regional bureaux and the corporate information technology team is also required to ensure that country offices are able to operate on a strong information technology platform, one that in these situations is characterized by great fluidity and a need for rapid decision-making and information exchange. These three teams coalesced effectively in late 1999, for example, to establish in less than six weeks a dedicated Internet

connection for East Timor that now services large parts of the United Nations peace mission as well as all operational agencies. This sort of collaboration will become more common. Last but not least, the security of staff is becoming a matter of increasing concern. Security assets have also been upgraded in late 2000, with the establishment of a small unit inside ERD to complement the outposted security team at UNSECOORD.

F. An improved organizational culture

63. The need for changes in the corporate culture of UNDP, widely called for in the Administrator's Business Plans, is no more evident than in connection with its crisis and post-conflict programming. Operations in these environments are by definition more risky than elsewhere. The UNDP Resident Representative commonly finds himself or herself drawing a road map that will change by the week and having to make decisions that in some cases are indeed about life and death. The organization will better recognize this by creating improved incentives for staff to serve in these challenging duty stations. The Administrator is also currently considering introducing, in a phased manner, a standard requirement that promotion to the P-5 level and beyond will now require at least one tour of duty in a crisis country duty station.

64. Changes in corporate culture are also needed at headquarters. Units with oversight responsibilities must also meet their responsibilities to support offices in meeting accountability requirements. The use of matrix management by headquarters units is already paying dividends. Joint operations between, for example, ERD disaster specialists and the specialists at the Office to Combat Desertification and Drought (UNSO) and the Gender-in-Development Programme of the Bureau for Development Policy (BDP) and UNIFEM are becoming commonplace. ERD is also working with the United Nations Capital Development Fund (UNCDF) on the needs and challenges of reconstruction programmes. The Sustainable Energy and Environment Division of BDP and the Human Development Report Office have worked with ERD in the preparation of a world vulnerability report for 2001. The UNDP CPC framework has evolved dramatically as a result of this interaction.

65. Finally, cultural change is required in the interaction of UNDP with the outside world. Greater secondments both into and out of UNDP are contributing to strengthen the partnership perspective upon which the success of UNDP depends. The Panel on United Nations Peace Operations has also created a new space for enhanced collaboration with United Nations system partners and a number of secondments are planned to the new structures envisaged in the Secretary-General's implementation plan of the Brahimi Report, such as the integrated mission task forces and the Executive Committee on Peace and Security Information and Strategic Analysis Secretariat (EISAS).

VI. Conclusions

66. UNDP welcomes the growing recognition in the international community of the central role of development cooperation in crisis and post-conflict situations. Increasingly, it is acknowledged that emphasis must be placed on development as a tool of crisis prevention as well as a means to ensure sustainable recovery and social and economic progress in the aftermath of crisis.

67. In the coming years, UNDP will significantly strengthen its operations in crisis and post-conflict situations. It will continue to work in close collaboration with programme country Governments and local communities to help to enhance national capacities to prevent conflicts, to minimize the damage caused by natural and man-made disasters and to manage recovery and peace-building processes effectively. It will strengthen its role as a key partner within the United Nations system and beyond, and as a mobilizer and coordinator of international assistance in post-conflict situations.

68. Staff capacities are being upgraded and the ongoing organizational reform processes will lead to a more streamlined organization with improved capacities at the front-line, our country offices. Rapid response and specialist deployment capacities are also being established to enable the organization to respond quickly to requests for assistance in crisis and post-conflict situations. To support these initiatives, additional efforts will be made to increase core and non-core funding.

69. With these measures in place, UNDP will be in a position to take a strong leadership role in the international aid operations in crisis and post-conflict situations and to support programme countries effectively in their efforts to build capacities that will enable durable peace and sustainable development.

Annex

Legislation on the role of UNDP in crisis and post-conflict situations

Role of development

- In its resolution **46/182** of 19 December 1991, the General Assembly established the central importance of development in the midst of emergencies. Reports of the Secretary-General to the Economic and Social Council on field coordination (**A/49/177** and **E/1994/8**).

- Report of the Secretary General "Renewing the United Nations: A Programme for Reform"(**A/51/950**) and the corresponding resolutions of the General Assembly (**52/12A and 52/12B**).

- In its resolution **1318 (2000)**, the Security Council called for, inter alia, the "promotion of durable peace and sustainable development in Africa" and "integrated strategies to address the root causes of conflicts, including their economic and social dimensions."

Role of UNDP: Executive Board decisions

- Recognizing that preventive and curative development must often be addressed simultaneously in the midst of crises (**decision 95/23**; see also documents DP/1995/15 and DP/1995/32).

- Allocation of 5 per cent of UNDP core resources in TRAC 1.1.3 for resources for development in countries in special situations (**decision 95/23**).

Disaster mitigation and preparedness

- In paragraph 16 of its resolution **52/12B**, the General Assembly assigned responsibilities to UNDP for "operational activities for natural disaster mitigation, prevention and preparedness".

Mine action

- In its resolution **53/26**, the General Assembly assigned duties to various United Nations agencies for mine action. UNDP was assigned responsibility for capacity-building for mine action in addition to addressing the socio-economic aspects of landmines.

Coordination

- General Assembly resolutions **32/197, 42/196, 44/211, 47/168, 48/209** and in particular resolution **47/199**, provide the overall framework for the coordination of operational activities in CPC environments through the resident coordinator system, funded and managed by UNDP. The concept of a single official for the coordination of operational activities for development within the United Nations system came as part of the restructuring of the economic and social sectors of the United Nations system initiated by General Assembly resolution 32/197 (1977). In that resolution, the General Assembly decided that, on behalf of the United Nations system, overall responsibility for, and the coordination of, operational activities for development carried out at the country level should be entrusted to a single official who should exercise team leadership and ensure a multidisciplinary dimension in sectoral development programmes.

- In its resolution **46/182,** the General Assembly further affirmed that "the resident coordinator should normally coordinate the humanitarian assistance of the United Nations system at the country level. He/she should facilitate the preparedness of the United Nations system and assist in a speedy transition from relief to development".

- The coordination role of UNDP in countries in CPC situations was further strengthened in the Secretary-General's programme of reform, granting the Administrator membership in the Executive Committees for Peace and Security and Humanitarian Affairs, in addition to the chairmanship of the Development Group (**General Assembly resolutions 52/12A** and **52/12B**).

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Assistance to Myanmar

Note by the Administrator

Summary

The present report contains the major findings, conclusions and recommendations of a six-member international independent assessment and evaluation mission of the Human Development Initiative (HDI) in Myanmar, carried out in accordance with the guidelines set out in Executive Board decision 98/14 of June 1998. The Administrator notes that: (a) the 10 projects of the HDI Extension (1996-1998) were concluded in late 1999; (b) 11 projects of HDI Phase III (mid-1999 to end-2001), which were approved in accordance with the guidelines set out in decisions 93/21 and 98/14, were initiated in late 1999; and (c) an independent assessment and evaluation of the HDI was carried out during the period 27 May to 15 July 2000. Overall, the mission found that all project activities of the HDI Phase III were formulated and are being implemented in compliance with Governing Council and Executive Board decisions 93/21 and 98/14. The mission also concluded that HDI projects objectives were being pursued very successfully and were making a clear difference in the well-being of an estimated 3.6 per cent of rural poor. To enhance the impact of the HDI further, the mission made several recommendations for the consideration of the Executive Board to consider.*

* The full text of the report of the independent assessment mission is available on request from the Secretariat (tel. (212) 906-5749).

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I. Background and purpose

1. Since 1993, UNDP assistance to Myanmar has been carried out within the framework of the Human Development Initiative (HDI), in compliance with the guidelines established in Governing Council decision 93/21, and in Executive Board decisions 96/1 and 98/14. In accordance with these decisions, resources are allocated to meet critical humanitarian and basic human needs in Myanmar and are clearly targeted towards programmes having sustainable impact at the grass-roots level in the areas of primary health care, the environment, HIV/AIDS, training and education and food security. The first phase of the HDI (15 projects) was carried out during the period 1994 to the end of 1996. The second, extension phase (HDI-E) comprised 10 projects, which were concluded in late 1999. The current 11 projects of the HDI Phase III for the period mid-1999 to end 2001 were initiated in late 1999, pursuant to Executive Board decision 98/14.

2. In its decision 98/14 of June 1998, the Executive Board approved continued funding of activities in the sectors previously outlined in Governing Council decision 93/21, and subsequently reaffirmed by the Board in its decision 96/1. It authorized the Administrator to approve project extensions on a project-by-project basis up to a total amount not exceeding $50.0 million for the period mid-1999 to the end of 2001 from target for resource assignments from the core (TRAC) funding. In its decision 98/14, the Board also requested the Administrator to continue to provide the Executive Board, on an annual basis, with a report on the progress and challenges in the implementation of project activities of the HDI. Accordingly, the results of the last HDI independent assessment mission conducted in February-March 1999 were presented to the Board in June 1999.

3. In response to decision 98/14, the present report contains the major findings, conclusions and recommendations of a six-member independent international mission fielded in Myanmar during the period 27 May to 15 July 2000 to assess and evaluate the HDI and its constituent projects. The mission carried out a review of the progress and challenges in the implementation of HDI project activities from March 1999, when the last assessment report was undertaken, to the end of May 2000. The period of the assessment covered the last six months of HDI-E in 1999, and the current HDI Phase III, which commenced in September 1999. The mission's terms of reference included (a) an in-depth analysis and evaluation of the 10 projects of the second phase of HDI and the 11 projects of HDI Phase III and (b) an examination of progress made in implementing each project since the last assessment of March 1999 and of the challenges faced by the projects in meeting their overall goals and objectives. The mission also reviewed and assessed the HDI programme more broadly in terms of its effectiveness in pursuing the common goal of addressing the critical humanitarian and basic human needs in Myanmar at the grass-roots level.

II. HDI-E and HDI-III

A. Introduction

4. All HDI project activities have been formulated and are being implemented in strict compliance with Governing Council and Executive Board decisions 93/21 and 98/14. Projects are being implemented in strategically targeted areas in the Dry Zone, Southern Shan State, the Ayeyarwady Delta and in remote border areas of Rakhine, Chin and Kachin States. A total of 24 townships (23 under HDI-E and an additional one under HDI-III) are being targeted in the selected geographical regions for project interventions under the current HDI Phase III. Within the target townships, HDI has conducted participatory rural appraisals to identify the areas of greatest poverty and to indicate where the need for humanitarian assistance and human development are most critical. Poverty mapping of the villages in each HDI township has enabled human development and humanitarian assistance to be focused on village tracts with the poorest households — which, on average, account for about 20 per cent of the total population of a typical township. One cluster of HDI projects addresses critical basic humanitarian needs in primary health care, potable water supply and sanitation, HIV/AIDS prevention and care, and primary education; a second cluster of projects is aimed at the other priority areas — food security, arresting the deterioration of the natural environment, income-generation and micro-finance activities. Third, on account of the remoteness of the Border Area, all these components are delivered in the projects concerned under a common area-management approach. All projects, with the exception of the Border Area

projects, are provided with common administrative and coordination support for selected field activities through an umbrella-type HDI Support (HDIS) project.

B. Assessment by independent mission

5. The mission found that overall, all HDI projects were meeting their individual project objectives very effectively and successfully. Project inputs respond fully to the needs and priorities expressed by grass-roots communities during the participatory planning exercises and are being delivered directly at the village or village-tract level in partnership with community-based organizations and rural communities. Village-level planning and the determining of priorities for project activities are now well instituted in villages that were included in the earlier phases of HDI and HDI-E programme. For those villages that have been added under HDI-III projects, villagers have been trained to carry out participatory rural appraisals to enable the development and mobilization of planning and decision-making capabilities among themselves. In some villages under the previous HDI phases, such as in the Ayeyarwady Delta area, where the Environment and Food Security project started in 1994, the project manager is conducting sample experimentation exercises to determine the sustainability of HDI activities. The exercises consist of withdrawing assistance offered through this project from a sampling of these villages and then monitoring and comparing their activities and progress with other HDI villages that had been receiving assistance for the same period and still continue to receive such assistance. Results after the first six months indicate that the villages where all external project assistance had been withdrawn were keeping pace with similar villages that continue to receive the close attention of the project staff. One determinant of success among the villages included in this experiment is strong village leadership. Interventions in villages with weak leadership are not as independently sustainable without the continued advice and assistance of project staff. This has been taken into account in developing the exit strategy for the project; zones are being set up within the townships, including "well-led" villages and "not-so-well-led" ones, where the village leaders are encouraged to meet together regularly to share information on their current activities and plans and to seek each other's help in problem-solving. In this way, villages can draw on the strengths of the better-led villages to help to resolve problems when they arise.

6. The success and challenges which the individual HDI projects faced and their impact on the poorest communities in the various sectors were also carefully assessed and evaluated. In primary health care, services are provided in the 11 HDI focus townships through a community-based approach. Project staff work in close partnership with the basic health staff, who are assigned directly at the village and community level. This provides an institutional linkage for the project and contributes towards the longer-term sustainability of these activities when the HDI project is concluded. Recent accomplishments under this project include: (a) the introduction of a "self-care" programme which is a series of training programmes for household members to enable them to improve the ways in which they look after their own health at the basic health-care level and to sensitize them to the situations when they need to seek outside medical advice or care; and (b) the preparation of a comprehensive illustrated manual and an intensive training programme for approximately 380,000 women representing each household in the HDI villages. This resulted in the capacity-building and training of each household in the 11 HDI project townships in the fundamentals of self-care and in a reduction of the incidence of diseases such as goitre in iodine-deficient areas by strategic influence at the policy level that led to the iodization of domestic salt. This objective was achieved at the end of the HDI-Extension phase.

7. In community water supply and sanitation, there were some gaps in the transition from the phase II to phase III project because of delays in the approval process for the recruitment of key expatriate personnel. Nevertheless, the third phase project is operating and continues to contribute significantly to the improving of the lives of poor communities in the HDI project areas. Under the Phase III project, maintenance and operating manuals are being developed for those facilities that have been completed. Enhanced training programmes are under way for approximately 504 village water and sanitation committees in order to enable the communities to maintain and sustain the large number of physical infrastructure improvements under earlier phases of the project. Such project interventions have to date benefited 2,657 villages and communities.

8. The UNDP HIV/AIDS project is the largest in Myanmar and the principal mechanism through which the multidimensional aspects of the disease and its consequences are addressed. The estimated current infection rate in the country is 1.5 per cent of the population. The project budget is quite modest compared to the enormous needs in the country, which has an estimated population of 46 million. UNDP funds ($3 million over 30 months) are less than 10 per cent of those being provided annually by international donors to neighbouring countries with similar or comparable infection rates. Nevertheless, the HIV/AIDS project continues to use its resources strategically and effectively and has established a solid base for the rapid expansion of the programme when additional external resources become available. There is excellent collaboration among the various agencies and other partners. The scope of activities under the project has been expanded to address broader issues relating to policy, advocacy and collaboration; social marketing of condoms; capacity-building of non-governmental organizations, community-based organizations and the private sector; reproductive health and treatment of sexually transmitted diseases; behavioural change; and care, counselling and support for AIDS patients. Effective, participatory, low-cost community-based responses to HIV/AIDS prevention, care and support have also been developed and education and awareness programmes are conducted for children of affected families. Income-generating activities and social support programmes have been organized, particularly for marginalized groups in partnership with the communities. The mission supported the urgent need for additional resources to supplement limited UNDP core resources in order to continue to address this problem more effectively on a much broader scale.

9. HDI activities in the primary education sector have resulted in both direct and indirect assistance to more than 3,700 villages. To date, direct assistance has been provided through the project to 2,458 village schools, comprising the reconstruction or renovation of village schools, the provision of teaching/learning aids and micro-projects to assist the poorest children. Assistance has also been provided to villagers for non-formal education activities through the establishment of community-learning centres and training has been provided to community members to manage them. In addition, 7,600 primary school teachers in project townships have been trained through the project. As with other HDI projects, these activities continue to focus only at the grass-roots level and therefore linkages with the national education system that could broaden the reach of the project's achievements at the township or higher levels, as well as with other non-HDI townships, are lacking. Nevertheless, the project has been instrumental in bringing about acceptance at the national level of a number of innovative activities: an environmental education component has been designed and introduced into the curriculum, as have teacher-training courses in environmental education and non-formal teaching methods. Collaboration with other HDI projects is also being stepped up to address one of the main causes of the high drop-out rates in primary education after the first year, i.e., the costs associated with sending children to school, which many parents cannot afford. The HDI will continue to give priority attention to this issue.

10. The micro-finance project has been operating in only 3 per cent of the country's township for a limited period. The project has demonstrated several important lessons for future development planning, including (a) the poor are responsible borrowers, willing and capable of reimbursing loans and interest and (b) in the context of a credit vacuum, collateral is not indispensable: there are strong incentives for the poor to repay their loans from a stable source from which they can borrow repeatedly and the repayment history can function in a way similar to collateral. The three NGO implementing partners (Grameen of Bangladesh, the Groupe de recherche et d'echanges technologiques (GRET) of France and Private Agencies Collaborating Together (PACT) of the USA) have been quite successful in meeting and exceeding the project objectives, namely, delivery of credit to 75 per cent of the planned target group (60,000 households). The mission highlighted the need for activities to be linked to a market-oriented, deposit-based strong, working banking system. Although the establishment of such a system lies beyond the scope of the HDI, it was nevertheless recommended that, given the success of the project to date, the current micro-finance project could pave the way for the development of an overall rural credit system to support rural banks to which current HDI credit activities could be linked at the appropriate time.

11. The three Environment and Food Security projects continue to address environmental degradation in the Dry Zone, Shan State and the Delta areas and to improve technologies and capacities for increasing

production and rural incomes. To date, assistance has been provided to 223 villages in the Dry Zone, 605 villages in the Shan State and 340 villages in the Delta. The project also provides employment to 7,696 villagers in the Dry Zone and Shan State in a variety of agricultural techniques and planting, as well as training in simple soil-erosion control practices. The heavy demand on firewood for domestic purposes places enormous pressures on the natural environment, especially on depleted forests in the three project areas. In the Dry Zone in particular, the consumption is greater than the growth rate of the existing trees and of those planted annually in that region. In Shan State, the critical watersheds continue to suffer serious soil erosion. The HDI has achieved significant results in conservation practices in the 11 HDI townships where it is operating. The HDI has brought about a high degree of concern for preservation and conservation of the natural environment among villagers in this region. However, the HDI project is, as noted, able to have an impact on only 3 per cent of the total affected watershed areas that continue to suffer from serious soil erosion. The environmental degradation situation in the Ayeyarwady Delta is particularly serious, with river bank erosion destroying arable land and salinity encroaching into former fresh water areas.

12. The Community Development in Remote Townships project is operating very successfully in 10 remote townships in Eastern Rakhine, Chin and in Kachin States on the eastern border. The project has been effectively reoriented to more integrated rural development with the participation of the communities that are fully involved in the decision-making process. The project provides assistance to over 150 villages in the region. Project activities are sustained by self-help groups and community organizations with the assistance of an international NGO that is engaged in capacity-building and the training of villagers and communities in the targeted areas. To date, approximately 600 Self-Help Groups have been formed. The project has recorded significant achievements in developing and implementing micro-projects in agriculture and natural resources, health, education, water/sanitation, and vocational training. These multisectoral project activities are being delivered under a unified management in the three project locations in this region. There is an urgent need for an expansion of the project activities to include additional townships and villages in this remote region of the country. Assistance is also provided through a preparatory assistance project in three Northern Rakhine State townships (Buthidaung, Maungdaw and Rathedaung), where over 230,000 returnees have been resettled from Bangladesh by UNHCR. This preparatory assistance is laying the groundwork to help to consolidate the smooth integration of the returnees once UNHCR scales back its operations. It has (a) ensured on-the-ground social mobilization and area-based community development activities in three townships of the Northern Rakhine State, and (b) produced a programme proposal (Basic Needs Assistance Programme) for scaling up these activities in conjunction with the withdrawal of UNHCR.

13. In following the relevant guidelines of the Governing Council and Executive Board decisions, UNDP has taken steps to ensure that grass-roots communities are fully involved in the planning and implementation of all HDI project activities. Under HDI Phase III, renewed efforts have been made to strengthen local capacities to ensure meaningful participation in project activities and for self-sustained human development at the grass-roots level. To achieve this, the operational strategy for HDI Phase III strongly emphasizes (a) social mobilization as a means of enhancing the community participatory process and (b) the development of human and technical capacities to facilitate integrated decentralized planning and implementation. These operational strategies respond to the overriding needs that must be fulfilled by all HDI projects and have thus been placed under the umbrella of an HDI Support project (HDIS) that has established mechanisms and structures to deliver a variety of common services to other HDI projects. The HDIS mechanism ensures that project interventions are implemented in a manner that stimulates a process of capacity-building for sustainable grass-roots development through (a) developing the inner strengths of the communities to harness their potential and (b) empowering them to identify their problems and needs and assume collective responsibility to plan, manage, control and make best use of external and internal resources. Mechanisms have also been built into the HDIS project to monitor this process carefully and track its progress. This is carried out through extensive visits to approximately 1,500 villages in the 11 HDI townships to discuss village needs and development planning and to facilitate linkages between communities and project activities; the introduction of decentralized community planning and budgeting to ensure the local ownership and good

coordination of multiple HDI activities within the same village, regular community-level meetings to monitor inter-project and intersectoral coordination, linkages and convergence; the sharing and exchange of information and experience of projects on the identification and targeting of the poor; and data collection for the SRF/ROAR process. New competencies in participatory planning and implementation training courses are being conducted to this end. To date, about 500 persons have been trained in the concepts, principles, practices and tools of social mobilization. As recommended by the mission, UNDP will carry out an in-depth review of the HDIS project in the near future to identify how its important functions can better enhance and facilitate the overall impact of the HDI.

III. Strategic issues and challenges

14. While many useful lessons have been learned from the performance of project activities, including their contribution to the improvements of many aspects of village life and the empowerment and establishment of community-based organizations, the HDI faces a variety of strategic issues and challenges, both at the operational and policy levels. Some of these are briefly highlighted below. More details are provided in section 6 of the mission report.

15. There is a need to strengthen programme coherence and coordination among the United Nations entities, given the different operational modalities that they use. In certain key sectors, some United Nations specialized agencies are not in a position to provide the critically needed technical cooperation support or have discontinued their implementation arrangements for HDI projects because of the specific modus operandi of the HDI. UNDP activities are carried out strictly in accordance with the guidelines established in the relevant Executive Board mandate whereas the operational modalities of other United Nations entities in the country are more in line with those of a standard country programme. This poses difficulties for UNDP since all HDI projects must be executed by United Nations organizations. It also has implications for UNDP participation and its leadership role in carrying out joint United Nations exercises, such as the Common Country Assessment, and in other United Nations programmes of assistance for which an integrated approach is desirable.

16. At the operational level, there are also limitations to the extent to which certain community-based activities can be self-sustaining. Local community-based organizations must have institutional linkages with broader social and economic structures in order to achieve sustainable socio-economic development. In this regard, the mission highlighted the limitations of the ongoing HDI interventions and cited several examples, such as those in (a) education, where the project interventions need to be in synchronization with the national system; (b) micro-finance, which requires institutional and infrastructural support at the rural level to make the activities more stable; (c) agriculture, where there is a need to demonstrate the benefits of different marketing arrangements for small-farm agricultural production that could increase the yields and earnings of small farmers; and (d) the growing HIV/AIDS problem, which also needs to be addressed at the national level.

17. Through HDI activities, UNDP has gained extensive knowledge and understanding of the scope of the poverty problems facing the country. Over the past six years, a valuable knowledge base grounded in evidence from the field has been developed. This has proven very valuable for other partners in understanding the needs of the poor and in targeting assistance to them. However, the rich UNDP information base is mostly limited to the geographic scope of HDI.

18. It is estimated that approximately 70 per cent of the population lives in rural areas and over half of all rural households depend on agricultural production as their primary source of livelihood. There are major challenges facing the agricultural sector, which continues to be one of the most critical areas in the UNDP poverty-reduction projects. A significant decline in rice production and agricultural outputs has been observed. This is especially worrisome since the agricultural productivity of small farmers is an important dimension for reducing poverty in the country. The lack of accurate nationwide data on agriculture makes it difficult to address the challenges at hand effectively.

19. Although the links between poverty and agricultural productivity are clear, many other causes of poverty are less clear. Particularly important is the need to address the causes of poverty in different zones so that the HDI can continue to offer the most relevant alternative solutions to communities in the most

poverty-stricken regions of the country. Although HDI-related data-collection exercises have already produced a rich information base on poverty within the geographic parameters of the programme as noted in paragraph 17, there is increasing evidence from observations of adjacent zones that rural poverty may be deepening. If UNDP could undertake an overall poverty assessment for Myanmar and update it regularly over time, the information would not only enhance the HDI, but would also be very useful for other United Nations organizations and partners active in the country. As soon as the way is cleared for greater cooperation of the international development community at large in Myanmar, such an information base would be critical for the rapid identification of priorities and programme development.

20. Another serious issue of concern for the rural poor is the degradation of the environment. The HDI has reported on fragments of evidence pointing to alarming trends in the depletion of natural resources that indicate reduced soil fertility and soil erosion, growing deforestation and the depletion of large areas of mangrove forests. While these problems have been prominently pinpointed, there is insufficient reliable data concerning the environmental conditions to make any serious prognosis of outcomes or to plan workable responses to these problems.

IV. Recommendations of the independent assessment mission

21. In view of these constraints to the collection and analysis of data, the mission made the following recommendations:

(a) UNDP should undertake as quickly as possible a poverty assessment of Myanmar, focusing on indicators of the extent, depth and severity of poverty and highlighting the main causal factors in different agro-ecological zones and ethnic groups. Basic poverty information should be updated regularly over time by UNDP. The output would be (a) a database on poverty in Myanmar that should be updated in order to assess trends, and (b) in-depth poverty analyses on different dimensions of poverty that would guide UNDP work and that could be shared with other partners to fill a serious data vacuum. This would enable new strategies to be adopted to increase the effectiveness of institutions and organizations functioning at all levels for the benefit of the rural poor — including at the village, township, regional and national levels;

(b) UNDP, in collaboration with the appropriate technical agencies and national institutes, should undertake a comprehensive, nation-wide agriculture sector review as early as possible, with a special focus on cereal crops. The output from this sector review would be up-to-date and reliable information on the state of the sector that would add to the understanding both of poverty conditions and of the macro picture and that would define important agricultural issues;

(c) UNDP should plan and launch a comprehensive review of the condition and stresses on the natural environment and its associated resources (soil, water, forests and other important plants, fish and wildlife) in critical areas of Myanmar, including the three areas in which UNDP HDI activities operate. The output from this comprehensive review should identify the most serious problems and problem areas, thus providing the information necessary to develop strategies to mitigate and alleviate environmental deterioration and to identify the potential for protecting some of the most vulnerable areas;

(d) A longer time-frame for planning is strongly recommended in line with that required of effective participatory community-development activities. The mission observed the short duration of two and a half years for each HDI Phase in relation to the time-intensive nature of participatory community-development activities and the gestation period required for project planning, formulation, review and approval. For example, the HDI Phase III projects were approved in accordance with the guidelines of Executive Board decision 98/14 in early 1999 but implementation could begin only in the last quarter of 1999 because of inevitable delays in the recruitment of expatriate personnel, etc.;

(e) UNDP should play a more proactive role in broadening the scope of HIV/AIDS activities in the country in general and in expanding the excellent work carried out under its own HIV/AIDS programme in Myanmar. While the UNDP HIV/AIDS activities have placed the organization in a good strategic position, further effectiveness depends to a large extent on the availability of additional resources to supplement limited UNDP core resources. The problem is growing and requires at least 10 times more resources than the current annual expenditures of the HDI project;

(f) Linkages should be established at the operational level between community-based initiatives and broader social and economic structures for longer-term sustainability particularly in education and primary health care.

V. Executive Board action

22. The Executive Board may wish to:

(a) Take note of document DP/2000/5 and of the report submitted by the independent assessment mission to Myanmar, in particular the strategic issues and challenges raised therein;

(b) Request the Administrator, taking into account the findings of the independent assessment mission to Myanmar, to submit, at the earliest possible date, for the consideration of the Executive Board, a proposal for continued UNDP assistance to Myanmar.

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UNDP: Report to the Economic and Social Council

Report of the Administrator

Summary

The present report was prepared in conformity with a joint format agreed on by the United Nations Development Programme, the United Nations Population Fund and the United Nations Children's Fund, with the list of issues identified in consultations among United Nations Development Group members.

It contains an account of the implementation of the reform programme of the Secretary-General and the provisions of the triennial comprehensive policy review, follow-up to international conferences, and humanitarian and disaster relief assistance.

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I. Implementation of the reform programme of the Secretary-General and the provisions of the triennial comprehensive policy review

A. Structures and mechanisms

1. During 2000, the reform of the Administrative Committee on Coordination (ACC) and its subsidiary bodies progressed still further. In particular, the review of ACC by a team of three senior experts recommended the creation of the High-Level Programme Committee (HLPC), which was endorsed by ACC and met in October 2000 to establish its terms of reference. All the relevant programme and operational bodies currently under ACC were requested to review their own terms of reference and mandates in the light of the outcomes of the ACC review and the subsequent decisions of ACC. In addition, ACC itself is contemplating a change of its name to reflect its role as the Board of Executive Heads of the United Nations system. Similarly, the Organizational Committee of ACC is to be replaced by a network of focal points or "sherpas", who would communicate throughout the year, supported by the Office of Interagency Affairs (OIAA) in the Department of Economic and Social Affairs (DESA).

Problems encountered and lessons learned

2. The review of ACC led to the establishment of the HLPC, which will have oversight of all the programme and operational consultations under the ACC umbrella but will in its own deliberations focus primarily on programme issues. However, it is important that the inter-agency policy and procedural work on operational activities, which serves to convert legislative mandates into actual operational policies, procedures and guidelines also continue while this new area of programme policy is dealt with. The HLPC is not designed to do this work itself and would need to rely on a subsidiary body. The work is currently carried out by the Consultative Committee on Programme and Operational Questions (CCPOQ) and its Working Group on the Resident Coordinator System. As the subsidiary bodies of the new HLPC are reviewed and reformed, it is important that this work be given continuity in order for the legislative mandates of the General Assembly and the Economic and Social Council on operational activities to be implemented. Furthermore, it is important that the bridge provided by these current mechanisms between the United Nations and the system as a whole be continued, particularly on issues relating to the resident coordinator system.

3. In carrying out this reform, ACC was clear in affirming that the HLPC would not serve to add another layer of inter-agency machinery but rather would lighten the burden on ACC by taking programme decisions on its behalf.

4. Regarding the experience with the streamlining of the United Nations Development Group (UNDG), the experience with sunset clauses for its subsidiary bodies has proven positive in terms of simplifying the UNDG work processes and focusing staff time only on items of top priority. Each year, UNDG reviews the subsidiary bodies and groups to see which ones have achieved their expected results and goals and whether they need to continue to meet. This is an experience that could prove of relevance to the broader ACC machinery.

Recommendations

5. The Council may wish to:

(a) Take note of the problems encountered and lessons learned in enhancing the structures and mechanisms for United Nations reform and inter-agency coordination;

(b) Welcome the ongoing efforts by the Administrative Committee on Coordination and the United Nations Development Group to rationalize the architecture of their subsidiary bodies;

(c) Reaffirm the need for a United Nations system-wide consultative body to review the operational activities of the system, to carry on the work presently carried out by the Consultative Committee on Programme and Operational Questions, including the Working Group on the Resident Coordinator System, particularly the translation of legislative mandates originating from resolutions and decisions of the General Assembly and the Economic and Social Council into operational policies, procedures and guidelines.

B. Funding and resources

6. In pursuance of General Assembly resolution 50/227 of 24 May 1996 and Economic and Social Council resolution 1997/59 of 24 July 1997, as well as Executive Board decisions 98/23, 99/1 and 99/23, UNDP made further progress in 2000 in implementing the multi-year funding framework (MYFF), which integrates programme objectives, resources, budget and outcomes with the goal of increasing core resources and enhancing their predictability. In particular, the first results-oriented annual report was presented to and well received by the Executive Board. The first Ministerial Meeting of UNDP, attended by over 50 ministers or ministerial-level officials, was held in September with the overall objective of building further political will for UNDP.

Problems encountered and lessons learned

7. During 2000, under the guidance of its Executive Board, UNDP continued to grapple with the problems of stemming the declining volume of core contributions, ensuring greater predictability of resources through multi-year pledges and reducing the overdependence on a limited number of donors.

8. In line with the provisions of Executive Board decisions 98/23, 99/1 and 99/23, UNDP held its second funding meeting in April. The total amount of regular resources currently estimated for 2000 is slightly below the level of the income received in 1999, according to provisional data. Programme countries once again showed a deep commitment to the funding meeting, where there was considerable high-level participation from capitals of both donor and programme countries.

9. In terms of enhanced predictability, while a number of countries announced payment schedules at the funding meeting, in some cases actual payments of the core contributions were received much later and, in a few cases, not before year-end. In this context, as indicated for 2000, it is important that all contributing countries officially communicate their 2001 core contributions as early in the year as possible and that they adhere to the fixed payment schedules that they announce. In addition to the funding commitments, the meeting highlighted the need for UNDP to reduce its overdependence on a limited number of donors. In comparison, the traditional pledging conference held in November 2000 yielded modest results, where none of the major donors were in a position to pledge, inter alia, because of the timing of their budget cycles. With the establishment of funding meetings within the respective Executive Boards of the funds and programmes, there is a clear need for the intergovernmental bodies to reconsider the role of the pledging conference held each November.

Recommendations

10. The Council may wish to:

(a) Welcome the progress achieved by UNDP in introducing the multi-year funding framework and the results-oriented annual report;

(b) Encourage the funds and programmes to exchange experiences and lessons learned in the area of multi-year funding frameworks with a view to their continued improvement;

(c) Reiterate its concern about the continued decline in core funding to the United Nations Development Programme and the other funds and programmes and, in this context, strongly urge all Member States to support the implementation of the multi-year funding framework, inter alia, through increased core contributions in order to meet the regular (core) resources targets set in the framework, and specifically urge all countries to increase their core contributions to help to reduce the overdependence on a limited number of donors;

(d) Make recommendations on the future of the United Nations pledging conference, taking into account the experience gained at the second funding meeting at the second regular session of the Executive Board, as well as the experience of the other funds and programmes.

C. Resident coordinator system

11. During 2000, efforts to strengthen the resident coordinator system proceeded on many fronts: (a) increasing the proportion of women and staff of other agencies who are resident coordinators; (b) improving the performance appraisal of resident coordinators; (c) further improving the selection process through the inter-agency advisory panel; (d) training first-time resident coordinators and country teams; (e) improving the competency assessment model based on an outside evaluation; and

(f) improving the annual reporting by resident coordinators.

Problems encountered and lessons learned

12. A review of the 128 annual reports of resident coordinators revealed the following:

(a) Improved overall quality of the reports as compared to those of previous years;

(b) A lack of strategic direction in many reports;

(c) Evidence of growing collaboration driven by themes and by common country assessments (CCAs) and United Nations Development Assistance Frameworks (UNDAFs); there is little evidence, however, of collaborative programming;

(d) Increasing collaboration with the Bretton Woods institutions;

(e) The work of theme groups had indeed concentrated on cross-cutting issues such as HIV/AIDS, education, health, rights-based approach, poverty and gender;

(f) The importance of the CCA and UNDAF in providing platforms for conference follow-up, adopting a holistic approach rather than a conference by conference approach;

(g) The emerging role of thematic groups for joint analysis and assessment and advocacy on cross-cutting themes.

13. The current competency assessment programme has been fully evaluated and the results of the evaluation reviewed by the Inter-Agency Steering Committee responsible for overseeing the programme. The main recommendations that emerged from the evaluation were included in the review of proposals for the continuation of the programme. The competitive bidding process is under way to select the firm to continue this programme, including the enhancements to it. The next assessment programme will be conducted in June 2001. All current and former resident coordinators will be expected to go through the assessment as well as first-time resident coordinators.

14. In terms of improving the gender balance of resident coordinators, the current goal is to increase the present ratio of 24 per cent to 38 per cent by 2001, which means the appointment of an additional 21 women. Priority is being given to internal recruitment. However, in the light of competing demands within agencies in meeting their own gender goals, the Working Group on the Resident Coordinator discussed modalities for the external recruitment of women over the short term. This subject is further discussed in paragraphs 35-38.

15. The performance appraisal system for resident coordinators continues to be problematic. In order to ensure that the system serves its purpose of providing feedback to the Administrator on the performance of resident coordinators, it has been reviewed and changes have been discussed with UNDG members and more broadly with the United Nations system through the CCPOQ Working Group on the Resident Coordinator System. At its meeting of 18 September, the Working Group endorsed a revised appraisal system with three elements: (a) the replacement of the current citing of "critical incidents" by a results-based appraisal reflecting tangible benchmarks such as progress with the CCA and UNDAF, the use of support to resident coordinator funds provided by UNDP, the quality of the annual report and performance in crisis situations; (b) selective implementation in a few countries each year of a 180 degree feedback exercise to provide objective feedback to resident coordinators and country team members as individual team-players on their performance and development opportunities; and (c) self-appraisal by the country team as part of the annual report exercise.

Recommendations

16. The Council may wish to:

(a) Take note of and encourage the range of efforts under way to improve the resident coordinator system on several fronts, highlighting in particular the importance of progress being sought in annual reporting by resident coordinators, which is a vital source of managerial information;

(b) Welcome in particular the additional measures taken to improve the performance appraisal of resident coordinators and the country team, reiterating its invitation to all concerned agencies of the United Nations system to make full use of the resident coordinator appraisal system.

D. Implementation of the common country assessment and the United Nations Development Assistance Framework

17. As of 15 November 2000, 62 CCAs had been completed and 48 were in progress; 19 UNDAFs had been completed with 25 in progress. A total of 26 workshops had been completed in the five geographic regions to promote the exchange of experiences and good practices relating to the CCA and UNDAF.

Problems encountered and lessons learned

18. In 2000 the Executive Committee decided to take steps to accelerate further the roll-out of the CCA and UNDAFs. Accordingly in October 2000, a series of meetings of senior regional managers of the organizations represented on the Executive Committee was held. It was concluded that unless the CCA and UNDAF are integrated into the programming procedures of the organizations themselves and used to streamline their programming procedures with the objective of lightening the demands placed on them by the CCA and UNDAF, the CCA and UNDAF will remain another layer of onerous programme requirements, creating not only additional burdens for country teams but also a drain on government capacities. The Executive Committee therefore instructed the UNDG Working Group on Harmonization of Programme Approval Process, chaired by UNFPA, to propose concrete steps to make the CCA and UNDAF an integral part of their respective programming processes.

19. Similarly, it was found that currently, non-compliance with timely delivery of quality CCAs and UNDAFs carries no institutional consequences for any of the staff whose organizations are represented on the Executive Committee. The Executive Committee accordingly agreed to include timely delivery of CCAs and UNDAFs as a factor in the annual performance evaluation of their representatives and regional managers.

20. Turnover of representatives had been found to make timely CCAs and UNDAFs difficult. Accordingly, the Executive Committee agreed to ensure that transfers and appointments were timed in such a manner that the timely delivery of quality CCAs and UNDAFs was not undermined, particularly as concerns resident coordinators.

21. Effective leadership of the country team by the resident coordinator was found crucial for successful CCAs and UNDAFs. When proposing and deciding on resident coordinator candidates, whether new or awaiting rotation, the Executive Committee agreed to take account of their past performance with regard to CCAs and UNDAFs.

22. The supportive institutional role of the regional bureaux or regional structures of the organizations was found important for successful CCAs and UNDAFs. Accordingly, the Executive Committee agreed to entrust their regional managers with the effective monitoring of CCAs and UNDAFs in their respective regions and to task them proactively to provide the necessary support to their country representatives, to contribute to and use the results of the CCA/UNDAF Learning Network on a systematic basis and to continue their joint inter-agency meetings and reports to the Executive Committee either on a quarterly or a biannual basis.

Recommendations

23. The Council may wish to:

(a) Welcome the progress on implementation of the common country assessment and the United Nations Development Assistance Framework processes, in particular the additional managerial steps taken by the Executive Committee to accelerate the introduction of the common country assessments and the United Nations Development Assistance Frameworks;

(b) Encourage further efforts to streamline programming instruments as progress is achieved in introducing the CCAs and UNDAFs;

(c) Urge all partners in the United Nations system, including the Bretton Woods institutions, to participate actively in the common country assessment and United Nations Development Assistance Framework process, in line with the guidance note of the Administrative Committee on Coordination on the CCA and UNDAF.

E. Harmonization of programming periods and procedures

24. During 2000, UNDG and CCPOQ accelerated their efforts to promote the harmonization of programming periods and procedures, particularly on the following fronts: (a) harmonization of programming periods; (b) joint programmes; (c) joint mid-term reviews; and (c) harmonized administrative procedures for national project personnel. The harmonization of programming periods is essential for the preparation of the United Nations Development Assistance Framework (UNDAF). As of 6 November 2000, a total of 89 countries were included in category A (countries with harmonized programming periods) while 18 countries were in category D (countries where harmonization is not considered feasible).

Problems encountered and lessons learned

25. The harmonization of programming periods has been found essential for the preparation of meaningful UNDAFs. The number of countries with harmonized programming periods reached 93 by November 2000. By the end of 2004, 90 per cent of qualifying programme countries will have harmonized their cycles. This represents a key step for the roll-out of the UNDAF and for enhanced impact by UNDG at the country level.

26. A note on definitions of processes and products for enhancing UNDG programme collaboration was approved by UNDG and sent out to the field in March 1999 in order to clarify terminology relating to programming used by UNDG member organizations. In July 2000, building on the CCA/UNDAF roll-out during 1999-2000 and the harmonization of programming periods, a guidance note for the preparation of joint programmes/projects was endorsed by UNDG and sent out to the field. Country teams have been encouraged to use the guidance note when developing and managing joint programmes/projects and to share the results of their experience with UNDG. It is still too early to judge the impact of this measure; it should, however, be detectable in the annual reports of resident coordinators in the coming years as well as through the triennial comprehensive policy review of 2001.

27. Procedures for joint mid-term reviews of country programmes and UNDAFs have now been completed and are being field-tested by a number of country teams. It is expected that the revised procedures will be made available for general use in the first quarter of 2001. When programming periods have been harmonized, the joint mid-term review of individual country programmes and UNDAFs will lessen the current demands and burdens placed on Governments participating in the review of country programmes of individual funds and programmes.

28. Simplified and harmonized administrative procedures for national project personnel hired by different United Nations organizations are being analysed by a UNDG ad hoc group, based on current practices by some country teams. These procedures include, for example, salary scales, daily subsistence allowance rates, contractual and recruitment modalities, insurance coverage and methods for performance assessment. Governments have called for the harmonization of the administrative procedures for national project personnel applied by different organizations. The UNDG ad hoc group is focusing on a few practical areas, where harmonization is feasible under the existing regulations and rules of different organizations, in particular remuneration and per diem rates. Guidance notes will be sent to country teams during 2001.

29. With regard to future challenges and next steps, UNDG and CCPOQ will consider the harmonization and simplification of programming processes and approval. The UNDG has set up a working group, chaired by UNFPA, with the objective of developing a common process for programme approval, taking into consideration the need for further harmonization and simplification of programmes and programming procedures for all United Nations organizations in the UNDG in order to provide the basis for a substantive, timely and joint oversight function of the respective Executive Boards.

Recommendations

30. The Council may wish to:

(a) Take note of the progress achieved by members of the United Nations Development Group so far in the harmonization and simplification of programming periods and procedures;

(b) Recall their request to the funds and programmes as part of their preparations for the triennial policy review of 2001 to assess the actual

benefits to programme countries of harmonized programming periods;

(c) Encourage the members of the United Nations Development Group, in the light of the discussions on the subject at the Council, to address the areas for further harmonization and simplification of procedures identified in consultation with resident coordinators and country teams and to report to the Council at its substantive session in 2002 with concrete results in each area.

F. Gender-mainstreaming

31. UNDP and its partners in UNDG sought in 2000 to implement the Beijing Platform for Action and prepare the five-year review of the Fourth World Conference on Women (Beijing + 5) of June 2000. The recommendations of the review address the need for tools to measure progress and ensure accountability towards fulfilling the commitments made in Beijing. Another area of focus for the funds and programmes was the gender dimension of national poverty-reduction strategies and the situation of women in countries in crisis.

Problems encountered and lessons learned

32. From the perspective of UNDP, the main implication of the Five-Year Review of the Beijing Conference was enhancing the accountability of all stakeholders with regard to showing measurable progress towards the commitments of the Conference. UNDP, in particular, is seeking to build the gender dimension into its policies, programmes and management. Efforts were made to include gender issues more explicitly into national human development reports, to promote the collection of relevant gender statistics for the CCA and UNDAF, including the development of qualitative indicators on women's human rights, paid and unpaid work, and the strengthening of gender-budgeting initiatives. UNDP is particularly interested in indicators of women's vulnerability and in monitoring progress in the implementation of the Convention on the Elimination of All Forms of Discrimination against Women. Alternate reports from civil society have been useful instruments for assessment and advocacy.

33. Another challenge for UNDP in 2000 is helping programme countries to ensure that national poverty reduction strategies, and their associated poverty reduction strategy papers take full account of the feminization of poverty and women's own coping strategies both for policy and implementation.

Recommendations

34. The Council may wish to:

(a) Take note of the lessons learned and the challenges in mainstreaming gender considerations in operational activities for development, particularly through national poverty reduction strategies;

(b) Encourage the funds and programmes and other partners in the United Nations system engaged in supporting national poverty reduction strategies to ensure that their efforts fully reflect gender considerations, in line with national priorities;

(c) Take note of the growing recognition of women's needs and contributions in crises and peace-building initiatives, and encourage funds and programmes and other partners in the United Nations system to ensure that their activities in these areas take due account of gender considerations;

(d) Encourage the funds and programmes and other partners in the United Nations system to incorporate women's paid and unpaid work in national accounting, to engender national budgets, and to develop gender-sensitive statistical data collection and analysis;

(e) Take note of the changing situation of women in the age of information and technology and in the globalizing economy and, in particular, of the new challenges for women in the labour force;

(f) Encourage the funds and programmes and other partners of the United Nations system to address the issues of trafficking in women and girls, gender-based violence, HIV/AIDS and women in conflict situations in the context of a human rights framework.

G. Gender balance

Problems encountered and lessons learned

35. In 2000, UNDP continued to address the special problem of retaining professional women at the mid-career point through its work/life policy and its human resources policy, which actively promotes the careers of young women, including measures such as

authorizing cumulative seniority in all previous Professional grades when women are considered for promotion.

36. As of November 2000, the percentage of women in the Professional category and above in UNDP was as follows: 41 per cent of all Professional staff, as compared to 36 per cent in 1999; 26 per cent of UNDP resident representatives and United Nations resident coordinators as compared to 25 per cent in 1999; 22.5 per cent of all staff at the D-1 and D-2 levels as compared to 21 per cent in 1999; and 3 out of 5 staff at the Assistant Secretary-General level, the same number as in 1999.

37. In 2000, UNDP targets for the percentage of women staff continued to be: 40 per cent overall for staff at the Professional and Director levels and 38 per cent for resident coordinators/resident representatives by 2002. For the first time ever, a target of 50 per cent women was set for participants in the competency assessment programme held in September and October 2000. This was to encourage all sponsoring organizations to focus on the issue of gender and on ensuring that more women serve as resident coordinator and to be placed in the pool of candidates approved by the Inter-agency Advisory Panel for future service as resident coordinators.

Recommendations

38. The Council may wish to:

(a) Take note of the lessons learned and progress made by the United Nations Development Programme in the implementation of its gender balance policy;

(b) Call for continued efforts to accelerate achievement of the gender targets, taking into account the lessons learned by other United Nations entities.

H. Capacity-building

39. Based on extensive preparatory work and drawing on the experience of organizations of the United Nations system from evaluations of operational activities conducted, a guidance note was issued by CCPOQ in 2000 on behalf of ACC on capacity-building to guide resident coordinators and country teams on the subject.

Problems encountered and lessons learned

40. Member States at the substantive session of the Council in 2000 welcomed the issuance of a guidance note but called for the translation of this guidance note on capacity-building into practice as soon as possible. Many of the five-year reviews of the United Nations international conferences have also stressed the importance of United Nations support to building national capacity for poverty eradication.

41. The Department of Economic and Social Affairs has pointed out that the evaluations undertaken in the context of the 1998 triennial policy review demonstrated that the traditional concept of capacity-building is no longer viable. The ACC guidance note on capacity-building, with its system-wide consensus on terminology and concepts, should form the basis for new agency-specific programming guidelines on capacity-building as well as training on the subject. Capacity-building will be a major dimension of the 2001 triennial comprehensive policy review and the good practices identified will need to be fed back into the United Nations system. As UNDP and its partner organizations in the United Nations system proceed with their own internal reforms, it is important that the new profile of staff sought include the skills needed for promoting capacity development in programme countries.

Recommendations

42. The Council may wish to:

(a) Reiterate that the primary responsibility for capacity-building rests with programme countries themselves;

(b) Take note of the progress over the past year in producing and disseminating an agreed set of guidelines, with a system-wide consensus on terminology and concepts, which have taken many years to achieve;

(c) Urge the United Nations specialized agencies, funds and programmes to accelerate, in a systematic and concerted fashion, the implementation of these guidelines, which would entail, inter alia, modifying programming guidelines to reflect the new consensus; to develop system-wide training packages and funding training programmes at the appropriate level; and to ensure, through their human resources

policies and practices, that new professionals hired possess the skills mix for promoting capacity-building.

I. Common premises and services

43. In 2000, UNDP continued to chair the UNDG Sub-Group on Common Premises and Services and played an active part in the Management Group on Premises and Services, which, as a decision-making body, relies on the advice and recommendations of the Sub-Group on Common Premises and Services.

44. To date, a total of 37 United Nations houses have been inaugurated or designated by the Secretary-General. The UNDG Sub-Group on Common Premises and Services regularly reviewed proposals from country teams and has provided advice and guidance to country teams in their efforts to establish common premises/United Nations houses. In this regard, the Sub-Group reviewed 51 proposals in 1998 and 58 in 1999; undertook 13 field missions in 1999; and during 2000, reviewed 32 proposals and undertook missions to six countries. It is expected that by the end of 2000, there will be seven new United Nations houses designated.

45. The Executive Boards of the four member organizations of the Executive Committee set a target of five United Nations houses to be established in 2000 and an additional five in 2001. By June 2000, the Sub-Group had identified 43 countries that might have the potential for the establishment of United Nations houses. The resident coordinators were contacted and the positive responses, which are still coming in, will constitute the basis for a pipeline of countries where a United Nations house might be established in the future.

46. A consolidated lease-management system was established through the use of Aperture software, completed in 1999. A common database now allows the sharing of information among the four member organizations of the Executive Committee, thus facilitating the management of country office premises.

47. Regarding common services, as a follow-up to the survey on common services conducted in 1999 with funding from the United Kingdom, a workshop with 27 senior operations managers from the Executive Committee organizations was held in March 2000 to review the results of the survey, to evaluate experience to date and to develop draft operational guidelines for the establishment and enhancement of effective and efficient common services operations at the country level. The workshop resulted in draft operational guidelines on common services, which were finalized and endorsed on behalf of the United Nations system as a whole by CCPOQ in September 2000 and will now form part of the ACC Guidelines for Administrative Management.

Problems encountered and lessons learned

48. Experience so far has shown that the real key to success in establishing United Nations houses is effective leadership by the resident coordinator and the development of a large, viable pipeline of countries where further United Nations houses are feasible. The steps taken above will help to ensure a substantial pipeline for the years to come. The continuing challenge now is to ensure that decisions regarding the establishment of United Nations houses (as a desirable principle) are taken in a cost-effective manner. It is also recognized that the move to common premises may result in an increase in one-time and recurring costs. Common premises present numerous tangible benefits such as common reference units and other facilities that can provide opportunities for synergy.

Recommendations

49. The Council may wish to:

(a) Welcome the progress on both common premises and common services, in particular;

(b) Urge host countries as well as the member organizations of the Executive Committee to continue to promote United Nations houses and common services, recognizing that while there may be increased one-time and recurrent costs, there are also tangible benefits and synergy to co-location.

J. Cooperation with the World Bank

50. During 2000, UNDP further developed its relationship with the World Bank at two levels: (a) the inter-agency level, as part of the UNDG discussions with the World Bank and (b) the bilateral level, with its direct policy and operational collaboration with the World Bank. The present section focuses on the inter-agency relationship, which addresses the coordination concerns emerging from past legislation of the Council

relating to the overall links between the United Nations and the Bretton Woods institutions.

51. The main focus of the discussion on coordination with the World Bank and UNDP and its partner organizations in UNDG has been collaboration in the context of the Comprehensive Development Framework, the poverty-reduction strategy papers (PRSPs) and the CCA/UNDAF and the important question of interrelationships between the instruments. A series of learning workshops and briefings were held with the participation of the World Bank and organizations of the United Nations system.

Problems and lessons learned

52. Three major issues have emerged from the workshops and consultations held and the feedback from country teams that have been involved in consultations with the World Bank as well as from the joint learning group on the CDF and PRSPs, which meets periodically and maintains continual electronic contact among its members: (a) enhancing national ownership of processes; (b) improving participation of different actors, particularly civil society; and (c) ensuring a substantive contribution of UNDP and the other United Nations agencies and entities.

53. Regarding national ownership, since the CDF and the PRSP are nationally led initiatives, the United Nations can respond to the request of Governments for its participation in these exercises and in establishing links between those processes and the CCA and UNDAF processes. In several cases, national ownership is being promoted by the use of national strategies to which UNDP and its partner organizations have often contributed, as in the cases of Ghana, Uganda and the United Republic of Tanzania. Often, UNDP and other United Nations organizations encourage wider ownership within government by working with line ministries and executive offices to ensure that the ministry of finance is not the only ministry involved. In one case, UNDP helped to establish a liaison between the Ministry of Finance and the Vice-Presidency. In other cases, participation by a broad array of ministries and other actors was promoted through the following mechanisms facilitated by UNDP: partnership working groups, sector working groups, steering committees and technical committees. In several cases, UNDP helped to establish links between the round-table meetings or Consultative Group meetings and the CDF/PRSP processes. UNDP also played an important role in several countries in involving a broader range of civil society actors in the PRSP process through workshops at the national and local levels.

Recommendations

54. The Council may wish to:

(a) Welcome the collaboration between the United Nations Development Programme and its partner organizations in the United Nations system and the World Bank, particularly at the request of Governments, to enhance linkages between the common country assessment and the United Nations Development Assistance Framework, on the one hand, as well as the Comprehensive Development Framework and poverty-reduction strategy paper, on the other, under the overall coordination of national authorities, so as to build on existing preparatory work and to avoid additional burdens on national authorities;

(b) Encourage UNDP and other members of the country team to make further efforts to make substantive contributions to the CDF and PRSP processes, drawing on the common country assessment and the United Nations Development Assistance Framework experience in particular and on the substantive outputs of the United Nations Development Programme and other United Nations projects, in addition to helping to facilitate and link the respective preparatory processes.

K. Monitoring and evaluation

55. Results-based management (RBM) is one of the important developments in this field. In 2000, UNDP made significant progress in strengthening the methodologies for RBM and making it operational, in managing design of the strategic results frameworks (SRFs) working with the country offices, and preparing the first results-oriented annual report (ROAR). Further, methodologies and tools have been developed for assessing impact at the country level and an evaluative research programme has been developed to promote stronger substantive accountability.

56. UNDP presented the ROAR to the Executive Board at its annual session in June 2000; it was received very positively. The tools for RBM include the SRF, the country office management plan (COMP), the results strategy table (RST) and the ROAR. The

challenges during 2000 and beyond will be to create throughout the organization a results-based and performance and measurement culture in line with the Administrator's Business Plans, 2000-2003 (DP/2000/8). The SRF, ROAR and COMP were further refined in 2000 on the basis of the experience gained from the first round of implementation. The revised tools for RBM were introduced in the country offices in 14 regional workshops in all five regions, with the help of four resource persons from headquarters and the field for each workshop.

57. UNDP has been in the forefront in methodology development and in the design of results-based systems. Progress made by UNDP in RBM methodology has been with the close involvement of the multilateral and bilateral organizations. This very process of close consultation has contributed to reinforcing the importance of RBM in international forums such as the Working Group on Aid Evaluation of the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC).

58. The move towards joint evaluations and evaluation partnerships has been another major accomplishment. A thematic evaluation on decentralization local governance was conducted in partnership with Germany. The findings and recommendations of the evaluation were discussed at an international seminar in Berlin. A synthesis of lessons learned on the topic, based on further case studies, will be presented to a DAC forum in 2001.

59. Regarding staff accountability for results, the newly introduced UNDP individual performance appraisal is a results-and-competency-based tool. A number of key results are identified at the beginning of the reporting period as being those the staff member will be expected to perform. These will be measured against a set of competencies the organization considers to be paramount in terms of how staff perform.

Problems and lessons learned

60. The implementation of the SRF during 2000 in all country offices as well as feedback from the 14 workshops revealed that: (a) the revised SRF was well received by country offices, for whom a major challenge will be to select some six to ten strategic outcomes from the portfolio of projects and programmes they now carry out; (b) the database being built up as a part of RBM has tremendous potential to reduce ad hoc reporting and related workload; and (c) the results strategy table was widely recognized as a major step towards planning and management of the support budget; it is seen as progress towards budgeting for results as well as towards a new cost-recovery approach.

61. Remaining challenges and issues for 2001 and beyond include: (a) the alignment of programming instruments such as the country cooperation framework (CCF), the programme support document (PSD) and project document with RBM; (b) the alignment of internal and external monitoring, evaluation and assessment processes with RBM, i.e., the need for revising guidelines for audit, monitoring and evaluations; (c) the continued alignment of the staff appraisal systems in the organization with RBM; (d) consideration given to the alignment of the CCF and SRF periods; (e) clear guidance on how to develop and sustain partnership strategies; (f) clear guidance on how to engage with Governments in a dialogue founded on results-based management; and (g) harmonization of RBM efforts among organizations of the United Nations system. The last point is of particular importance to the Council.

Recommendations

62. The Council may wish to:

(a) Welcome the progress made in the design and implementation of results-based management in UNDP, highlighted by the presentation of the first-ever results-oriented annual report to the Executive Board;

(b) Take note of the challenges remaining for UNDP to internalize results-based management and realize its potential for substantially more effective planning and management;

(c) Encourage, especially, the exchange of experiences among the funds and programmes and the wider United Nations system, with a view towards the medium-term harmonization of RBM efforts throughout the system;

(d) Encourage, in particular, the harmonization of all other monitoring and evaluation tools as well as other relevant programming and management tools with results-based management.

II. Follow-up to international conferences

63. The focus of the present section is on the integrated and coordinated follow-up to the United Nations conferences, in line with such Council legislation as resolution 1998/44. During 2000, the focus of UNDP along with its partner organizations in the United Nations system continued to be on country-level coordinated follow-up to the international conferences, through the resident coordinator and the country team. UNDP organized an inter-agency workshop in July 2000 to review the ACC poverty strategy in the light of the outcomes of the five-year review of the World Summit on Social Development.

Problems encountered and lessons learned

64. In addition to the national reports of Governments on the follow-up to individual conferences, the resident coordinator's annual report, prepared in close collaboration with the entire country team, continued in 2000 to be an important source of information on actual inter-agency activities relating to conference follow-up at the country level. The 128 annual reports received covering 1999 gave special emphasis to and provided more information on the integrated and coordinated follow-up to conferences.

65. The review by the United Nations Development Group Office of the 128 resident coordinator reports received for 1999 revealed the following regarding conference follow-up:

(a) A large number of annual reports did address both the integrated and coordinated follow-up to major United Nations conferences;

(b) Others reported only on the follow-up to individual conferences;

(c) Others reported only on operational activities relating to both follow-up to individual conferences and integrated follow-up;

(d) Some country teams that prepared special reports on conference follow-up made strategic plans for future support for conference follow-up;

(e) More such strategic planning is required;

(f) Resident coordinators suggested that the ACC materials needed to be supplemented with operational tools and specific advice in applying them, including methodological frameworks and models for their country-specific application;

(g) A total of some 600 theme groups have been established for the cross-cutting or thematic follow-up to conferences, according to such themes as poverty eradication, gender, HIV/AIDS, food security, and others.

Recommendations

66. The Council may wish to:

(a) Note the progress of the resident coordinator system in assisting Governments in the integrated and coordinated follow-up to global conferences and encourage further work by country-level theme groups to address the three areas highlighted by the Council in its resolution 1998/44: poverty eradication, social development and the 20/20 initiative and the role of civil society in conference follow-up;

(b) Re-emphasize the need to link follow-up to individual conferences, including the five-year reviews, to the integrated follow-up to all conferences, calling for review documents and other preparatory activities fully to reflect linkages with other conferences and call upon Governments, in their leadership of the follow-up to individual conferences, to ensure the cross-cutting dimension and linkages with the other conferences, with the full involvement of all stakeholders, including the bilateral donors, the Bretton Woods institutions and civil society;

(c) Welcome the reporting on conference follow-up by resident coordinators and encourage continued reporting on this subject in their annual reports.

III. Follow-up to special economic, humanitarian and disaster relief assistance: agreed conclusions

67. During 2000, UNDP further defined its strategy for crisis and post-conflict situations, which is presented in depth in the report of the Administrator on the role of UNDP in crisis and post-conflict situations (DP/2001/14), to be considered by the Executive Board at its first regular session of 2001. In the present report, the specific implications of this policy for inter-agency

coordination, which will be of interest to the Council, are highlighted.

68. The commitment of UNDP to eradicating poverty and empowering the poorest and most vulnerable groups shapes its growing development work to break the pernicious cycle of crisis, poverty and risk that is fuelling instability worldwide. While UNDP has been active in such situations for several decades, the environment in which the organization is operating has changed dramatically. Reforms at the United Nations, universal calls for a shift to a global culture of prevention, a new system-wide approach to peace missions and a growing body of experience on the shortcomings of how transition processes are currently handled are some of the primary forces requiring that UNDP update its crisis and post-conflict (CPC) strategy. In all these instances, development cooperation has been identified as a critical link to success. These forces for change represent important opportunities for the organization to play its pivotal role within the United Nations system. Experience also suggests that UNDP CPC programmes would benefit from a greater coherence between CPC and other UNDP interventions and coherence between UNDP and other actors. Programmatic coherence in this field is built around the global UNDP priority of addressing the needs of the poor, especially women and children, by reducing vulnerability and risk through interventions at the community and national levels and through strategic upstream policy advice. The renewed commitment of UNDP to partnerships and its role as manager of the resident coordinator system in particular is the underpinning for enhancing its coherence among other actors in the CPC domain.

69. The role of UNDP in CPC situations is strictly limited to addressing the development dimensions of these situations. The substance of the organization's work in these environments, therefore, with its strong emphasis on local capacity-building and needs-identification and management is not intrinsically different from its work in other circumstances. The way in which the organization operates in these environments, however, must be different; failure to deal with this reality in the past has led to an uneven performance and to perceptions of institutional unpredictability by some key partners. Reforms in corporate systems that relate to staff competencies, deployment, resource management and mobilization and programming procedures are under way to bolster the operational performance of the organization.

70. However, the economic and social development work of UNDP will be sustainable only if strategies for such development address its impact on tensions that could lead to violence and promote measures to counteract such tensions. The Report of the Panel on United Nations Peace Operations to the Secretary-General (the "Brahimi Report") calls for a radical overhaul of the United Nations peace missions and points to the overdue need for an integrated approach to the development and implementation of conflict prevention, peacekeeping and peace-building activities, the latter "in effect, a hybrid of political and development activities targeted at the source of conflict" (Brahimi Report, para. 44). The reforms proposed in the Brahimi Report envision a holistic approach by the United Nations to peace missions that goes well beyond traditional peacekeeping and singles out the untapped potential of UNDP as a partner in this area and identifies UNDP as best placed to take the lead in implementing peace-building activities in cooperation with other United Nations organizations. The report defines peace-building as "activities undertaken on the far side of conflict to reassemble the foundations of peace and provide the tools for building on those foundations something that is more than just the absence of war" (para. 13). It calls for a more systematic addressing of the root causes of conflict and the promotion of equity and sustainable development as a necessary foundation for peace. These activities lie at the core of UNDP development work.

Problems encountered and lessons learned

71. The experience of UNDP in CPC situations has yielded the following broad conclusions: (a) UNDP operations in CPC situations are based on its general programming, which is aimed at sustainable human development, with activities adjusted to meet specific CPC needs and challenges; (b) UNDP operations in CPC situations have been strongly country-driven; (c) UNDP operations have given primacy to capacity-building under local leadership; (d) UNDP has leveraged its trusted partner status to assist governments in dealing with some of the more sensitive aspects of post-conflict recovery such as electoral support, rule of law and national reconciliation processes; (e) UNDP programming has provided a balance to the more visible targeted

operations of the relief community by supporting whole disadvantaged communities rather than target groups such as internally displaced persons or returnees; (f) UNDP has brought continuity to peace-building and recovery processes; (g) UNDP has played its part as a key member and coordinator of the United Nations community; and (h) UNDP has supported regional cooperation where appropriate.

72. The lessons of experience pose two particular challenges, however, which are addressed in document DP/2001/14. First, there is a clear need for improved coherence in these activities. In the broad spread of UNDP development activities there is a need to find a better balance between maintaining a manageable set of strategic entry points and related products and services in CPC situations and responding to the wide range of requests for support. Bringing enhanced coherence to these activities will have many spin-offs: it would allow UNDP to leverage economies of scale, provide a better platform on which to build a corporate identity and contribute to making UNDP a more predictable partner.

73. The issue of predictability is the second key challenge for the future. Effective partnerships with new and existing partners require that UNDP focus on its clear comparative advantages and produce results in those areas consistently and effectively. The reforms to the corporate "tool box" for CPC activities identified in document DP/2001/14 are intended to enhance the predictability of the organization's response.

Recommendations

74. The Council may wish to provide guidance along the following lines:

(a) Take note of the approach and strategy of UNDP to conflict and post-conflict situations, along with the approaches of partner funds and programmes contained in their respective reports to the Council;

(b) Encourage the efforts of the UNDG organizations to ensure, in the follow-up to the present intergovernmental discussions on peace-building, that the high priority of the development dimension is maintained, both in policy and operations.

IV. Recommendations

75. The Executive Board may wish to:

1. *Take note* of the present report;

2. *Decide* to transmit it to the Economic and Social Council, together with the comments and guidance provided by delegations at the present session.

United Nations DP 2001/7

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

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UNDP: Recommendations of the Board of Auditors 1998-1999

Follow-up to the report of the Board of Auditors for 1998-1999

Report of the Administrator

I. Purpose

1. As in previous bienniums, and in accordance with General Assembly resolutions 47/211 of 22 December 1992 (paras. 9, 10 and 12) and 48/216 B of 23 December 1993 (para. 5), the Administrator wishes to bring to the attention of the Executive Board that the report on implementation of the recommendations of the Board of Auditors on UNDP for the biennium ending 31 December 1999 (A/55/380/Add.1) has been submitted to the General Assembly.

2. The report contained in the annex to the present document has been prepared in response to General Assembly resolution 48/216 B and 52/212 B, in which the General Assembly requested the Secretary-General and the executive heads of United Nations organizations and programmes to provide the Assembly with their responses and to indicate measures that would be taken to implement those recommendations, with appropriate timetables, at the same time that the recommendations of the Board of Auditors are submitted to the General Assembly, through the Advisory Committee on Administrative and Budgetary Questions (ACABQ). It is an updated version of section II.C (paras. 60-200) of document A/55/380/Add.1.

3. The report contains a summary of recommendations, with paragraph reference to the report of the Board of Auditors for the biennium 1998-1999, listed by area of audit, namely programme expenditures incurred by Governments and executing agencies, bank reconciliation, non-expendable property, inactive projects, change management, procurement, green-office policy, project management in country offices and review of the Office of Audit and Performance Review. The report also indicates the UNDP response to each recommendation, as provided to the Board of Auditors during the preparation of its report, as well as the status of any follow-up

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action and the target date for completion at the date of preparing the present document. The Administrator is pleased to report that progress has already been achieved in many areas and that efforts are being made to address issues that are still outstanding.

4. During the course of the audit exercise for the biennium 1998-1999, UNDP provided a detailed written response to all the observations made by the Board of Auditors in the form of management letters. Such observations, findings, recommendations and UNDP responses are reflected in the report of the Board of Auditors.

II. Executive Board action

5. The Executive Board may wish to note that considerable progress has been made by the United Nations Development Programme in implementing the recommendations of previous reports of the Board of Auditors and that action is being taken to address all recommendations made by the Board of Auditors in its report for the biennium 1998-1999.

Annex

Report of the Board of Auditors to the General Assembly on the accounts of the United Nations Development Programme for the financial period ended 31 December 1999 (A/55/5/Add.1)

Recommendations and Responses[1]

[1] All paragraph references are to document A/55/5/Add.1, chapter II.

Financial issues

Programme expenditure incurred by Governments and executing agencies

Audit reports from Governments

The Board recommends that UNDP ensure that it regularly follows up on all outstanding audit reports, and that it concentrate its efforts on those countries where it has the greatest levels of national execution (para. 22).

The recommendation is accepted. The Office of Audit and Performance Review (OAPR) systematically follows up with all the country offices as a matter of practice. The Office will, however, make additional efforts to explore the reasons for non-compliance particularly with country offices with large nationally executed project portfolios. The Office will also develop strategies to ensure greater compliance for the next audit period.

The Director of the Office of Audit and Performance Review is responsible for implementation of this recommendation.

Bank reconciliations

The Board recommends that UNDP complete the reconciliation of the main contributions account and make the necessary adjustments to its financial records (para. 37).

The recommendation is accepted. The delay in completing this reconciliation emanated from the problems experienced with the implementation of new Year-2000-compliant systems. The reconciliation was completed at the end of October 2000.

The Comptroller, Office of Finance and Administration, Bureau of Management, was responsible for implementation of this recommendation.

Non-expendable property

The Board recommends that UNDP require Resident Representatives to certify the accuracy of the annual country office inventory returns and monitor returns to ensure that all are received. The Board also recommends that UNDP review the headquarters inventory and ensure that it provides realistic valuations for all equipment. The Board further recommends that UNDP intense its effort to develop a suitable inventory control system (para. 41).

The recommendation is accepted. UNDP will ensure that action is completed by the first quarter of 2001.

The Chief of the Administrative Service Division, Bureau of Management, is responsible for implementation of this recommendation.

Inactive projects

The Board recommends that during 2000 UNDP complete this review [of advances to Governments] and write off all necessary amounts (para. 42).

The recommendation is accepted. As part of efforts to simplify the accounts, UNDP plans to commence the review of all pending receivables, including the outstanding advances to Governments, and to proceed to the necessary write-offs by June 2001.

The Comptroller, Office of Finance and Administration, Bureau of Management, is responsible for implementation of this recommendation.

Management issues

Implementation of change management

Implementation documents

The Board recommends that, in projects such as UNDP 2001, UNDP prioritize activities and that it devise measurable indicators and milestones to allow systematic monitoring of progress (para. 55).

The report entitled "The Way Forward: The Administrator's Business Plans, 2000-2003", which was endorsed by the Executive Board in January 2000, sets out the vision for a new UNDP and outlines the transformation initiatives that need to be undertaken.

Building on and learning from the experience of the 2001 change process, the Bureau of Management has established a business plan monitoring system, which captures all the transformation initiatives from the

business plans. The monitoring system includes the key elements of the initiative, focal points and project leaders, milestones, a real-time monitoring and reporting mechanism, the detailed costs and funding sources. In addition, each initiative has been prioritized following the approval of the Executive Team. The road map has been used to monitor the progress of change against the Business Plans with regular reports to the Executive Team. Where necessary, remedial action has been sought and follow-up implementation undertaken. Specific templates and additional regular reporting from each unit has been established for some of the major initiatives.

The Business Plans included a transformation scorecard with goals, outcomes, and indicators of success and indicative targets. This is being developed into a UNDP "balanced scorecard", which will represent the key strategic tool to monitor the 25 or so performance indicators that will measure the impact of change and the successful implementation of the Business Plans. The design of the scorecard has been finalized and the first update will be provided by July 2001.

It is considered that this recommendation is being implemented.

The Deputy Assistant Administrator and Director, Office of Planning, Bureau of Management is responsible for implementation of this recommendation.

Costs and resources

The Board recommends that, at the planning stage of future projects such as UNDP 2001, UNDP cost all the proposed activities and estimate the total cost of the initiative (para. 59).

The response to paragraph 55 applies also to this recommendation.

The Board recommends that in future projects such as UNDP 2001, project managers should collect and report all available costs, and central programme managers should include such information in regular status reports (para. 61).

The response to paragraph 55 also applies to this recommendation.

The Board recommends that UNDP clarify the status of ongoing UNDP 2001 activities, given that it has formally closed UNDP 2001 and, if appropriate, establish detailed budgets needed to fulfil them (para. 64).

At the formal conclusion of the UNDP 2001 initiative, on 31 December 1999, there were five remaining activities. Four will be completed by the end of 2000 and one is included in the implementation of the current Business Plans. Detailed workplans and budgets have been established for all the five activities.

The Deputy Assistant Administrator and Director, Office of Planning, Bureau of Management is responsible for implementation of this recommendation.

Accountability and monitoring

The Board recommends that, in a project such as UNDP 2001, UNDP should (a) identify individuals responsible for implementation and (b) monitor targets periodically in order to identify problems as early as possible and take the necessary remedial action (para. 67).

The response to paragraph 55 applies also to this recommendation.

The Board recommends that UNDP set a clear timetable for the completion of tasks outstanding from the UNDP 2001 initiative (para. 70).

The response to paragraph 64 applies also to this recommendation.

Change management in country offices

Interaction with other United Nations organizations

The Board recommended, and the country offices accepted, that offices should improve timetabling arrangements (para. 72).

The recommendation is accepted. During the course of 1999, a major exercise was carried out to agree on dates for harmonizing programme cycles. In addition, with the introduction of the country office management plan in 2001, each country office will be required to specify in its COMP its timetables for undertaking the common country assessment and the United Nations Development Assistance Framework.

The Director of the Operations Support Group and the Directors of the Regional Bureaux are responsible for implementing this recommendation.

The Board recommends that all country offices investigate the possibilities of agreeing common service contracts with other United Nations organizations, as a method of offering potential cash savings and administrative efficiencies (para. 75).

The recommendation is accepted. UNDP confirms that it will be actively working with the inter-agency working groups on the implementation of and management of common services contracts, including cost-effectiveness and performance measurement, starting in 2001.

The Chief, Administrative Service Division, Office of Finance and Administration, Bureau of Management, is responsible for implementation of this recommendation.

Office organizations and staffing matters

The Board recommends that all country offices complete job descriptions and competency statements for all posts and that they use them to develop appropriate training plans for staff (para. 79).

In line with phase II of the reduction exercise, the country offices are expected to reduce their budgets by 15 per cent in 2001. This will, in any case, affect the organization of the office and will, no doubt, require the redesign of job descriptions with competency statements and relevant retraining.

The Learning Resources Centre of the Office of Human Resources supports the development of appropriate training plans to accompany both new job descriptions and the alignment of competency statements for all posts; the expertise available from the LRC is, however, limited. It is therefore the recommendation of the Centre that, in the interim, training plans should be based on recommendations contained in the existing performance appraisal reviews of staff members.

The scope for creating new job descriptions and competency statements for the posts in all the UNDP country offices is extremely wide. In the context of the current reduction exercise at UNDP and the forthcoming restructuring expected of country offices, UNDP will need to determine the appropriate support for this important exercise and the level of additional resources required. It is too soon to know the exact scope of this exercise, but it will be an early priority to be developed in connection with the eventual plans for the restructuring of country offices. The approximate target date is end 2001.

The Director, Office of Human Resources, Bureau of Management, is responsible for implementation of this recommendation.

Procurement

Compliance with UNDP rules and regulations

The Board recommends that UNDP remind line units of the need to confirm receipt of goods and services promptly (para. 88).

The recommendation is noted. It has always been UNDP policy to ensure that line managers confirm receipt of goods and services before the actual payment are approved. This is further emphasized in the revised Finance Manual, which was issued in May 2000.

The Comptroller, Office of Finance and Administration, Bureau of Management, is responsible for implementation of this recommendation.

Identification and evaluation of suppliers

The Board recommends that UNDP establish a database of potential suppliers (para. 92).

The recommendation is noted. Procurement at headquarters is carried out on a somewhat limited scale and covers a narrow range of goods and services, essentially data-processing equipment, office supplies, office furniture, office equipment, printing and building-maintenance services. As such, an informal roster of potential suppliers is maintained. The divisions at headquarters undertaking procurement make use, where possible, of the United Nations supplier roster maintained by the Procurement Division of the United Nations. In addition, for a number of common items, UNDP is able to use the long-term agreements entered into by the United Nations and the United Nations Population Fund. UNDP also has access to the United Nations Common Supply Database

maintained by the Inter-Agency Procurement Services Office on behalf of the United Nations system. It may not, therefore, be cost-effective for UNDP to establish and maintain its own separate formal database.

The Chief of the Administrative Services Division, Office of Finance and Administration, Bureau of Management, is responsible for implementation of this recommendation.

The Board recommends that UNDP develop more formal monitoring of supplier performance (para. 94).

The recommendation is noted, as are the accompanying comments on good practices of monitoring. UNDP will formalize its monitoring practices to capture relevant information on supplier performance.

The Chief of the Administrative Services Division, Office of Finance and Administration, Bureau of Management, is responsible for implementation of this recommendation.

Contract-letting

The Board recommends that UNDP benchmark its performance in the time taken to let contracts, establish timetables for each element of the procurement process and monitor performance against these (para. 97).

The recommendation is accepted. UNDP will establish appropriate benchmarks for the letting of contracts.

The Director, Office of Legal and Procurement Support, Bureau of Management, is responsible for implementation of this recommendation.

The Board recommends that UNDP build on the examples of good practice and ensure that clear terms of reference are used for bids and, where possible, use standard pricing sheets to assist in the evaluation of bids (para. 102).

Existing procurement guidelines will be further elaborated to disseminate information on best practices by the end of 2000.

The Director, Office of Legal and Procurement Support, Bureau of Management, is responsible for implementation of this recommendation.

Role of the Advisory Committee on Procurement

The Board recommends that UNDP ensure that country offices submit to the Advisory Committee on Procurement all procurement actions falling outside their delegated level of authority.

The recommendation is accepted. UNDP shares the concerns expressed by the Board in this regard. Through adoption of its revised procurement framework, as now manifested in the new Finance Manual (which in turn is derived from the revised Financial Regulations and Rules approved by the Executive Board in its decision 2000/4), the limits of the authority of resident representatives to approve procurement actions have been clarified. UNDP plans to issue further detailed guidelines on procurement during the latter part of 2000 in order to assist country offices to adopt best procurement practices. In addition, new, more efficient ways are being sought to train procurement staff in country offices in order to improve the ability of country offices to comply with applicable rules and procedures. The situation, however, will be monitored closely through mandatory reports of country offices on procurement activities and through regular internal auditing where procurement will be a special focus.

The Director, Office of Legal and Procurement Support, Bureau of Management, is responsible for implementation of this recommendation.

Green office policy

UNDP consideration of environmental and sustainable development issues

The Board recommends that UNDP give a higher profile to internal environmental issues. The Board also recommends that as it develops an environmental management strategy (EMS), UNDP incorporate key elements of good practice described in the international standard supporting sustainable business development (ISO 14001), particularly:

- **Approval of the EMS at the Executive Board level;**
- **Completion of environmental risk assessments;**
- **Documentation of environmental practices;**

- **Development of environmental objectives and targets, supported by measurable performance indicators to assess progress;**
- **Regular progress reports to the Executive Board;**
- **Identification of environmental training needs for staff and provision of resources to meet such needs; and**
- **Internal audit or evaluation procedures which cover all activities that can potentially affect the environment (para. 117).**

The recommendation for UNDP to give a higher profile to internal environmental issues is welcome. An assessment funded by the Swedish International Development Cooperation Agency of how UNDP is currently incorporating environmental sustainability issues into its worldwide operations has been carried out and the draft report is being prepared. The report will outline options for how an environmental management strategy could be organized in UNDP, including most of the recommendations made by the United Nations Board of Auditors. The draft report was finalized in September 2000 and its recommendations reviewed by the Sustainable Energy and Environment Division and by the Greening UNDP Task Force for transmission of recommendations to the Executive Team for decision in early 2001, at the latest. The specific recommendations by the Auditors were reviewed and taken into consideration in the September 2000 report.

The Director, Sustainable Energy and Environment Division, Bureau for Development Policy and the Assistant Administrator, Bureau of Management, are responsible for implementation of this recommendation.

Green Office initiatives at headquarters and country offices

The Board recommended to each office that it should develop formal green policies and establish a focal point to take matters forward (para. 118).

The recommendation is accepted. The "green" policy of UNDP has been in place since 1995, when the publication entitled "The Green Office Initiative" was officially released. To enhance ecological effectiveness at the country level, there is a need to develop detailed guidelines and practical tools. The Bureau for Development Policy and the Bureau of Management are working together on this issue and expect to develop them by the end of 2000. To facilitate implementation in the country offices, UNDP will be pursuing the establishment of environmental targets, such as paper and energy consumption, with the country offices.

The Director, Sustainable Energy and Environment Division, Bureau for Development Policy and the Assistant Administrator, Bureau of Management, are responsible for implementing this recommendation.

Green procurement

The Board recommends that UNDP undertake a cost benefit analysis to assess the savings likely to accrue from the development of a green procurement policy (para. 123).

The recommendation is accepted and UNDP will take action accordingly.

The Chief, Administrative Services Division, Office of Finance and Administration, Bureau of Management, is responsible for implementation of this recommendation.

The Board recommends that UNDP develop appropriate tools and information to assist staff in their consideration of green issues at an early stage in the procurement process (para. 125).

The recommendation is accepted. UNDP agrees that it is extremely important that staff at headquarters and in the country offices have access to appropriate tools and information to give proper consideration to environmental issues at early stages of the procurement process. To this end, a representative of the Sustainable Energy and Environment Division was added to the Advisory Committee on Procurement (ACP) in 1999 to help to ensure that green issues are considered in procurement decisions. By 31 January 2001, UNDP will develop, for use by the ACP and country offices, basic environmental guidelines, an overview of the key issues involved and sources of detailed and reliable information, as well as generic recommendations on major procurement items. These guidelines and background information, prepared by the UNDP Environmental Policy Advisor and Procurement Advisor, will also be placed on the UNDP web site for easy access by UNDP staff and others.

The Director, Office of Legal and Procurement Support, Bureau of Management, is responsible for implementation of this recommendation.

Energy efficiency and building policies

The Board recommends that UNDP follow up the recommendations made in the 1998 report on energy use and environmental impacts on the offices located at 304 East 45 Street (FF Building) and at 1 United Nations Plaza (DC1 Building) (para. 128).

The recommendation is accepted. Among the measures being taken to follow up on the recommendations made by the 1998 report on the FF Building is the retrofitting of the building. The request-for-proposal process is ongoing. This comprehensive, energy-efficient retrofit will address not only equipment upgrades with control systems (air conditioning and lighting) but also managerial and maintenance issues. Implementation of the retrofit will begin by the end of 2000. With respect to the DC-1 Building, it is important to note that it is rented by UNDP from the United Nations, which in turn rents it from the United Nations Development Corporation. As the FF Building retrofit project is the first of its kind undertaken by the United Nations system, a successful outcome is likely to influence the United Nations in undertaking a similar initiative in the DC-1 Building. UNDP has already advised the United Nations of this initiative and will report on the results to the United Nations for possible replication in the DC-1 Building. In advocating this approach, UNDP will actively follow up this initiative.

The Chief, Administrative Services Division, Office of Finance and Administration, Bureau of Management, is responsible for implementation of this recommendation.

The Board recommends that country offices should address energy efficiency when preparing their individual green office policies (para. 131).

The recommendation is accepted. To ensure consistency, UNDP is planning to issue guidelines/check list covering various aspects of energy conservation at the country-office level. They will be issued by the end of 2000.

The Chief, Administrative Services Division, Office of Finance and Administration, Bureau of Management, is responsible for implementation of this recommendation.

Recycling

The Board recommends that UNDP introduce improved monitoring of paper use across divisions and that UNDP set a target for a reduction in paper use. The Board also recommends that UNDP set standards for printer and copier use, for example ensuring that all machines default to double-sided printing (para. 135).

The recommendation is accepted. UNDP confirms that an action plan will be implemented by the first quarter of 2001.

All new printer acquisitions are required to have duplex capability and UNDP is standardizing printers and replacing the energy-inefficient ones. The Advisory Committee on Procurement (ACP) has endorsed this.

The Chief, Administrative Services Division, Office of Finance and Administration, Bureau of Management, is responsible for implementing this recommendation.

Project management in country offices

Implementation to time and budget

The Board recommends that country offices ensure executing agencies provide quarterly reports on progress of projects and that UNDP take prompt corrective action when projects fall behind schedule (para. 140).

The recommendation is noted. In the past, UNDP programming procedures required quarterly reporting by executing agencies (then primarily United Nations specialized agencies) but this requirement became burdensome and was reduced to annual reporting in the context of the annual tripartite reviews of projects. As the extent to which agency execution is utilized as a modality for managing UNDP-supported projects has become limited, it may not be efficient to change current practices. At present, the largest portion of UNDP-supported projects are under national execution. A requirement for quarterly reporting under this modality already exists since national executing agencies are required to report on the progress of projects in connection with requests for payment of quarterly advances of resources.

The Director, Operations Support Group, is responsible for implementation of this recommendation.

The Board recommends that UNDP use the financial information management shadow budgeting facility to implement a more realistic planning system and control the timing of project delivery (para. 143).

UNDP does use the Financial Information Management System (FIMS) shadow-budgeting facility to manage the resources. A more realistic planning and control system to time project delivery would depend on factors beyond shadow budgeting, such as untimely delivery of goods and services ordered. However, the recommendation is accepted and UNDP is already instituting systems such as results-based management towards the better control and timing of project delivery.

The Division for Resources Planning and Coordination, Bureau of Management, designed the FIMS shadow-budgeting facility as a critical tool to be used by programme managers to ensure realistic programme resource planning and delivery at both the individual project and overall programme levels. As FIMS is a decentralized system, the degree to which the shadow-budgeting facility is used ultimately depends on individual users. The Division has sent a letter to all resident representatives highlighting existing critical FIMS functionalities. UNDP will ensure that appropriate instructions are included with respect to the shadow-budgeting facility.

The Directors, Division for Resources Planning and Coordination, Bureau of Management, are responsible for implementation of this recommendation.

The Board recommends that UNDP ensure that all project documents and revisions contain information on:

- **The overall project budget, broken down by sub-head and phased over the life of the project; and**
- **The overall project budget broken down by objective, or sub-objective (para. 145).**

All budgets currently reflect annualized, approved inputs at the component/line level over the life of the project.

Budgeting by objectives and outputs was designed in the programme support document format and software. Moreover, the Programming Manual also advocates the use of this methodology for project documents. These procedures are contained in the new Programming Manual, which was issued in April 1999. Project documents prepared before that date would not have benefited from those procedures. UNDP will ensure, through the country office management plan and the ROAR that procedures in the manual are followed.

The Director, Operations Support Group, is responsible for implementation of this recommendation.

The Board recommends that UNDP prepare project plans only on the basis of committed funding (para. 147).

It is indeed UNDP policy that project documents reflect only such funds as are available within ceilings for commitments for the current planning period (Financial Rule 111.01 (d)) at the time of signing the document. Country offices that do otherwise would be in violation of the policy. As part of its oversight function, UNDP will begin to monitor project budgets to ensure the policy is followed.

The Director, Operations Support Group, is responsible for implementation of this recommendation.

The Board recommends that UNDP complete and issue the guidance on projects funded by this donor to country offices as a matter of priority (para. 149).

The recommendation is accepted. The Division for Resources Planning and Coordination will release draft guidelines by December 2000 on this donor's funded projects for internal UNDP review, comments and approval.

The Director, Division for Resources Planning and Coordination, Bureau of Management, is responsible for implementation of this recommendation.

Monitoring and evaluation

The Board recommends that UNDP ensure that all projects contain quantified and measurable performance indicators or targets, and that it measure the progress of a project against those criteria. The Board also recommends that country offices carry out regular monitoring and evaluation in line with UNDP guidelines (para. 153).

The elements of the recommendation are provided for in the Programming Manual although older project documents may not contain them. New programming instruments are being developed and promulgated in UNDP to address delivery, results and performance through results-based management and the country office management plan. Once these instruments are in use in all countries, in 2001, UNDP will have in place a system of annual reviews and results-oriented annual reports to monitor the application of the new instruments, to assess the achievement of performance indicators and to monitor and evaluate performance.

The Directors, Operations Support Group and the Evaluation Office, are responsible for implementation of this recommendation.

Review of the Office of Audit and Performance Review

Organization and staffing

The Board recommends that the Office of Audit and Performance Review assess qualification needs for each audit post and draw up a strategy to ensure that these needs are met (para. 162).

The Office of Audit and Performance Review believes that this recommendation has already been addressed. In early 1999, as part of establishing its learning, training and development framework, the Office identified the proficiency requirements (in terms of knowledge, skills and experience) for all audit posts. Existing staff of the Office were assessed against the established proficiency requirements and identified gaps were included in learning, training and development plans. These proficiency requirements have also been used to assess candidates during subsequent recruitment actions.

The Director, Office of Audit and Performance Review, is responsible for implementation of this recommendation.

Continued professional training

The Board recommends that the Office of Audit and Performance Review ensure that each member of staff receives sufficient training to ensure that the organization retains its technical competency (para. 166).

In general, the Office of Audit and Performance Review has ensured training of its staff based on its annual training plans. For 1999, the Integrated Management Information System (IMIS), as a new corporate tool, became a training priority, which impacted on training efforts and overall training expenditure as it was conducted in house. The Office benchmarked all staff against the results of the learning, training and development exercise in 1999 and identified long-term training and development needs. While the Office had initially intended to develop individual long-term learning, training and development plans for each staff member of the Office by the end of 2000, this action has been deferred to the end of March 2001 in order to benefit from the completion of the annual performance appraisal exercise.

The Director, Office of Audit and Performance Review, is responsible for implementation of this recommendation.

Audit coverage

The Board recommends that the Office of Audit and Performance Review conduct a detailed analysis of the risks to management information and financial controls associated with the IMIS implementation and perform appropriate reviews of the system and its interfaces (para. 171).

The recommendation is accepted. The Office will undertake a detailed analysis of the risks associated with IMIS systems and its interfaces and will include in its 2001 audit plan a review of IMIS with a specific scope to be determined as a result of the analysis.

The Director, Office of Audit and Performance Review, is responsible for implementing this recommendation.

The Board recommends that the Office of Audit and Performance Review ensure a greater coverage of the Europe and Commonwealth of Independent States region during the biennium 2000-2001, especially given the growth in number of these country offices in recent years (para. 174).

The recommendation is accepted and the recommendation is in the process of being implemented. In order to increase the level of coverage

of the countries in the region, the Office of Audit and Performance Review has already started the process of obtaining contract resources under the activities of limited duration (ALD) modality, which is expected to be completed by late 2000 or early 2001. The Office has completed the management audits of at least four country offices in that region.

The Director, Office of Appraisal and Performance Review, is responsible for implementation of this recommendation.

Control self-assessment

The Board recommends that the Office of Appraisal and Performance Review conduct formal, independent reviews to determine how effectively management is implementing the control self-assessment action plans (para. 177).

The recommendation is accepted. The control self-assessment (CSA) initiative started in 1999 and is still in its early stages. The Office has undertaken a review of the CSA implementation process. Currently, the CSA process includes the completion of an action plan, which is required of management at the end of each CSA exercise. For the results of the CSA conducted in 1999 and 2000, which had action plans, the Office will initiate a formal process, effective 2001, for identifying and following up management actions to implement the recommendations. The Office will also identify the negative impact on service delivery of these additional efforts, which are subject to overall availability of resources.

The Director, Office of Audit and Performance Review, is responsible for implementing this recommendation.

The Board recommends that the Office of Audit and Performance Review, follow up on the control self-assessment workshop reports and, where applicable, use this information to inform its risk assessments and audit planning (para. 178).

The recommendation is accepted. The Office has instituted this as a mandatory practice in the planning of its audits. The CSA reports will systematically be posted on the Office of Audit and Performance Review web site, with access only to office staff, as part of the permanent files.

The Director, Office of Audit and Performance Report, is responsible for implementation of this recommendation.

Audit planning

The Board recommends that the Office of Audit and Performance Review revise its long-term plan to take account of risk to individual systems (para. 121).

The recommendation is accepted. The Office has identified corporate systems and/or functions that will be taken into consideration in the next long-term and annual audit plans.

The Director, Office of Audit and Performance Review, is responsible for implementing this recommendation.

The Board recommends that the Office of Audit and Performance Review prepare audit programmes for all the functional and systems management audits it intends to perform, which OAPR management should review prior to the commencement of the audits to ensure that the proposed coverage is complete and meets the defined audit objectives (para. 184).

The recommendation is accepted. Commencing immediately, the Office will prepare detailed audit programmes for all functional and systems audits prior to the commencement of such audits.

The Director, Office of Audit and Performance Review, is responsible for implementing this recommendation.

The Board recommends that the Office of Audit and Performance Review develop a system to properly identify the full costs of each output (para. 186).

The recommendation is accepted. The Office has developed a concept paper to consider alternate cost models. One of these will be selected and implemented as a prototype by the end of 2001. UNDP anticipates the full implementation of the activity-base costing module in the year 2002. It should be noted, however, that this exercise will require significant OAPR resources and may result in the reduction of resources available for service delivery.

The Director, Office of Audit and Performance Review, is responsible for implementing this recommendation.

Audit guidance

The Board recommends that, as a first step in each audit, and to help inform audit planning, the Office of Audit and Programme Review document the key systems and controls and hold the information on permanent files to facilitate subsequent audits (para. 189).

The recommendation is accepted. The Office will identify key systems and ideally incorporate them in electronic format, subject to availability of resources. References/links will also be made to the electronic corporate systems documentation already in existence. Some of the work has been completed and the rest is a high priority for 2001. However, for systems that do not have complete documentation, additional review and analysis may be continued through the first half of 2001.

The Director, Office of Audit and Programme Review is responsible for implementation of this recommendation.

Audit procedures

The Board recommends that the Office of Audit and Programme Review develop an internal audit manual that provides a framework for its future operations. It should support the internal audit manual with a series of comprehensive audit guidance notes to provide detailed advice for the effective performance of the audits (para. 191).

The recommendation is accepted. The audit manual has been completed and is available electronically.

The Director, Office of Audit and Programme Review, is responsible for implementing this recommendation.

Audit quality

The Board recommends that the Office of Audit and Performance Review introduce a standard approach for conducting and evidencing the management review of working papers (para. 194).

The Office believes that this recommendation has already been addressed. As a result of the quality assurance review initiated by the Office, changes were introduced in 1999 with respect to the requirements for review of working paper files, including additional documentation of the review process.

Contracted-out audits

The Board recommends that the Office of Audit and Performance Review on a test basis the working papers of all its contractors to ensure that they obtain sufficient, relevant and reliable audit evidence to support their conclusions (para. 199).

The recommendation is accepted. Owing to concerns about service quality, the use of firms to provide contracted audits of country offices has been discontinued, except for the Asia and Pacific and Arab States regions. The working papers of the firm providing services in those regions have been reviewed on a test basis.

The Director, Office of Audit and Performance Review, is responsible for implementation of this recommendation.

Audit Committees

The Board recommends that UNDP re-establish the Management Review and Oversight Committee, by reappointing individuals to the vacant seats on the Committee (para. 203).

The recommendation is accepted. The Management Review and Oversight Committee has been re-established and one meeting has been held.

The Director, Office of Audit and Performance Review, is responsible for implementing this recommendation.

United Nations DP 2001/8

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

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Item 6 of the provisional agenda
Recommendations of the Board of Auditors 1998-1999

Follow-up to the recommendations of the report of the Board of Auditors (A/55/380/Add.1)

Report of the Executive Director

I. Purpose

1. The present report is submitted in accordance with decision 97/23 of 18 September 1997 and with the tentative work plan for the current session agreed to by the Executive Board in its decision 2000/24. In order to facilitate the work of the board, the United Nations Office for Project Services (UNOPS) will continue to submit reports on the implementation of the recommendations at the first regular session each year.

2. The annex to the present report contains an overview of the implementation of the recommendations of the report of the United Nations Board of Auditors for the biennium ended 31 December 1999 (A/55/380/Add.1). The Executive Director is pleased to report that efforts to address all issues are under way.

II. Executive Board action

3. The Executive Board may wish to:

(a) Take note of the present report (DP/2001/8);

(b) Request the Executive Director to provide the Executive Board, at its first regular session 2002, with an updated overview of the implementation of the recommendations of the Board of Auditors, including follow-up action completed.

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Annex

Overview of the implementation of recommendations

I. Financial issues

UNOPS should prepare a full inventory of its non-expendable equipment, both at headquarters and at its regional offices, with a view to providing an historic cost for its non-expendable equipment in the financial statements for biennium 2000-2001. (paragraph 15)

The United Nations Office for Project Services is in the process of preparing a full inventory of its non-expendable equipment in all its offices in compliance with United Nations Accounting Standards. UNOPS expects to complete the inventory by 30 August 2001. This inventory will continue to be updated to meet appropriate management and reporting requirements.

The Assistant Director, Division for Finance, Budget and Administration, is responsible for the implementation of this recommendation.

UNOPS should conduct regular reviews, led by the UNOPS Finance Section, of all unliquidated obligations and cancel those which cannot be substantiated or justified by budget holders. (paragraph 29)

Financial monitoring is conducted regularly and on a continuing basis by the UNOPS staff concerned. Monthly expenditure reports are provided by the Finance and Budget Section to Portfolio Managers to facilitate the monthly review exercise. Adjustments, including amendments to unliquidated obligations, are made as appropriate.

The Assistant Director, Division for Finance, Budget and Administration, is responsible for the implementation of this recommendation.

UNOPS should review on a monthly basis the returns from imprest account holders and take immediate action to hasten any missing returns. UNOPS should also ensure that it promptly reconciles all the returns from imprest account holders to ensure that it effectively monitors expenditure disbursed in the field. (paragraph 33)

The staff concerned were requested to exercise due diligence in carrying out timely examination and reconciliation of the accounts and in the follow-up of late submissions. Follow-up action was taken with respect to the imprest holders to ensure that expenditure disbursed in the field is effectively monitored.

The Assistant Director, Division for Finance, Budget and Administration, is responsible for the implementation of this recommendation.

II. Management issues

UNOPS should establish the relationship between the priorities, objectives, activities and tasks included in the Business Plan and apply this consistently from year to year, providing a full explanation of any changes it makes. (paragraph 43)

In keeping with the changing focus of the organization and new developments in its operating environment, UNOPS organizational priorities are subject to revision. In the future, any changes will be fully explained in the Business Plan. The standard Business Plan templates for each unit first developed for the period 1999 to 2000 have been reviewed and simplified. Plans to make them web-based for the business planning process for the period 2001 to 2002 are under way. This online facility should ensure timely completion of the templates for the start of the planning period 2001 to 2002, in keeping with the recommendations outlined in the report of the UNOPS cost-allocation task force report of March 1999. While the timing coincides with intensified year-end delivery efforts, the online templates will have data links to reduce the time managers require for this process. In this way, the standardization of unit Business Plans will ensure that the same business planning terminology is applied consistently throughout the organization.

The Assistant Director, Division for Business Development and Strategic Planning, is responsible for the implementation of this recommendation.

UNOPS should seek to ensure that all project documents contain measurable objectives. (paragraph 54)

While the specificity of project objectives is the responsibility of UNOPS clients and funding organizations (and not that of UNOPS), UNOPS intends to continue its review of the Project Acceptance Committee process in order that projects meet the required quality standards for execution, which include ensuring, to the extent possible, that project documents contain measurable objectives.

The Deputy Executive Director of Operations is responsible for the implementation of this recommendation.

UNOPS should seek to ensure that all project documents contain information on the overall project budget broken down by objective and sub-objective, as appropriate. (paragraph 55)

The Project Acceptance Committee continues to analyse the reasonableness of proposed budgets in relation to project objectives and sub-objectives. In addition, UNOPS portfolio managers consistently seek to ensure, through periodic budget revisions, that project budgets accurately reflect project expenditures and projections broken down by objective and sub-objective.

The Deputy Executive Director of Operations is responsible for the implementation of this recommendation.

UNOPS should provide an explanation for any targets that it discontinues or amends in order to provide continuity to the business planning process. (paragraph 40)

The new business planning templates under way will ensure that all units use the same targets, with standard variations according to whether they are service or operations divisions. As has happened in the past, the need to establish new targets may arise as a result of changes in the external operating environment of UNOPS. In the future, any amendments to or discontinuations of financial or non-financial targets will be reported and explained in the UNOPS Business Plan.

The Assistant Director, Division for Business Development and Strategic Planning, is responsible for the implementation of this recommendation.

Where appropriate, UNOPS should disclose performance information in its Business Plan. (paragraph 45)

UNOPS undertakes a bottom-up planning process that is synchronized with the budget preparation. There is a close relationship between short-term objectives and overarching organizational priorities. The former will be reviewed more frequently than the latter to ensure that there is progress towards meeting organizational priorities. UNOPS established its first monitoring mechanism in 1999, which included detailed performance measurements at unit level and timetables for achieving organizational priorities. UNOPS will continue to capture performance results and will report high-level results in its next Business Plan.

The Assistant Director, Division for Business Development and Strategic Planning, is responsible for the implementation of this recommendation.

Before signing project documents or management services agreements, UNOPS should ensure that the donor includes details of the project's proposed monitoring regime. (paragraph 56)

UNOPS regularly advises clients to define the details of the monitoring regime to be applied to an individual project prior to signature of the respective project document. The monitoring regime is normally contained in the reporting section of the project document, which should also indicate any deviation from the standard set of reports and review meetings. The level of detail and accuracy provided in this reporting section is a key instrument for the client to measure the achievement of project objectives.

The Deputy Executive Director of Operations is responsible for the implementation of this recommendation.

UNOPS should endeavour to ensure that each project document and management services agreement outlines the risks to the project's delivery. (paragraph 57)

UNOPS concurs that the risks relating to the effective delivery of a project should be carefully considered by the funding agency during the formulation of the project. In addition, UNOPS will continue to assess implementation-related risks that

arise from policy, legal and finance issues during the Project Acceptance Committee review process.

The Deputy Executive Director of Operations is responsible for the implementation of this recommendation.

UNOPS should endeavour to strengthen the range of performance indicators included in project documents to allow progress against objectives and sub-objectives to be quantified and reviewed as fully as possible. (paragraph 62)

Substantive review of project implementation progress is currently conducted through regular reporting, monitoring missions and the project performance evaluation report and tripartite review process. UNOPS believes that the strengthening of this review process is the appropriate way to develop the monitoring of the progress of project implementation.

The Deputy Executive Director of Operations is responsible for the implementation of this recommendation.

UNOPS should work with funding organizations to undertake periodic project performance evaluation reports and tripartite reviews for all projects. (paragraph 65)

UNOPS continues to stress the need for regular project performance evaluation reports and tripartite reviews to document the progress being made by projects. Based on experience to date, UNOPS notes that irrespective of how persistently UNOPS portfolio managers pursue this matter, the result will not be positive unless the concerned funding agencies also share the need for such regular review. UNOPS has advised its operations divisions to participate consistently in project performance evaluation report and tripartite review report exercises for major projects for which UNOPS is the executing agency.

The Deputy Executive Director of Operations is responsible for the implementation of this recommendation.

In future UNOPS should seek to avoid the proportional remuneration of lead contractors as a contract mechanism and seek to include penalty clauses for late delivery. (paragraph 85)

Best practices currently applied by UNOPS as a contract mechanism and include penalty clauses for late delivery. These principles are promoted in procurement training for UNOPS staff. They are also incorporated in standard contract and purchase documents. The appropriate application of these principles and any exceptions to them are under the purview of the Chief Procurement Officer.

The case that has given rise to the Auditors' recommendation is the relocation of UNOPS headquarters. In the tight New York construction market of 1999, and following review of the advice of local real estate and construction professionals, it was determined by the Chief Procurement Officer (on the basis of review by the Procurement Review Advisory Committee), that it was not possible to apply standard UNOPS best practices in this regard.

As this recommendation derives from an exceptional case and one having no impact on the fully implemented standard procurement practices of the Office, the recommendation requires no further implementation and, accordingly, there is no officer responsible for such implementation.

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DP

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UNFPA

UNITED NATIONS DEVELOPMENT PROGRAMME
UNITED NATIONS POPULATION FUND

COMMON FINANCIAL REGULATIONS CONCERNING CONTRIBUTIONS FROM NON-GOVERNMENTAL SOURCES

Report of the Administrator and of the Executive Director

1. This report has been prepared in response to decision 2000/5, in which the Executive Board of UNDP and UNFPA encourages the two organizations to consult each other on the feasibility of developing a common regulation concerning contributions from non-governmental sources and to report back to the Executive Board at its third regular session 2000.

2. At the third regular session 2000, an oral report was presented to the Executive Board advising that consultations between the two organizations were proceeding smoothly and that a proposal would be presented to the Board at its first regular session 2001.

I. INTRODUCTION AND BACKGROUND

3. In this report two proposed common regulations covering contributions from non-governmental sources are presented for approval by the Executive Board. The two common regulations are the result of consultations between UNFPA and UNDP.

4. The Executive Board will recall that in decision 96/39, it had eliminated, for UNDP, the requirement for prior approval by the Executive Board for contributions from non-governmental

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sources and replaced it with a full annual reporting requirement to provide the Board with sufficient information to assess the amounts and the impact of such contributions.

5. The Executive Board will also recall that it approved the elimination of such prior approval for UNFPA in decision 2000/5 and replaced it with a reporting requirement for contributions above $100,000.

UNDP Regulations

6. The current regulations in the UNDP Financial Regulations covering receipt of contributions from non-governmental sources are Financial Regulations 5.02 and 5.09, as follows:

Regulation 5.02

"Contributions may be accepted by UNDP from Governments of States Members of the United Nations, of the specialized agencies and of the International Atomic Energy Agency, as well as from those organizations and agencies themselves. Contributions may also be accepted from any other intergovernmental, non-governmental, or private sector sources subject to such conditions and criteria as the Executive Board and the Administrator may establish."

Regulation 5.09

"The Administrator shall report annually to the Executive Board on all contributions received from each contributor, including from non-governmental sources."

UNFPA Regulations

7. The corresponding regulations in the UNFPA Financial Regulations are Regulations 4.9 and 4.11, approved at the first regular session 2000, as follows:

Regulation 4.9

"Contributions other than those indicated in Financial Regulation 4.1[1] may be accepted by UNFPA and utilized for the general support of UNFPA or for purposes consistent with those of UNFPA."

Regulation 4.11

"The Executive Director shall report annually to the Executive Board on contributions above $100,000 received from non-governmental sources."

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[1] Regulation 4.1 reads as follows: "Voluntary contributions may be accepted by UNFPA from Governments of Member States of the United Nations, of the Specialized Agencies or of the International Atomic Energy Agency."

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II. PROPOSED COMMON REGULATIONS

8. The following regulations are proposed for approval by the Executive Board:

First common regulation

For UNFPA

"Contributions may be accepted by UNFPA from Governments of States Members of the United Nations, of the specialized agencies and of the International Atomic Energy Agency, as well as from those organizations and agencies themselves. Other contributions, including those from intergovernmental, non-governmental, or private sector sources, may be accepted by UNFPA and utilized for the general support of UNFPA or for purposes consistent with those of UNFPA."

For UNDP

"Contributions may be accepted by UNDP from Governments of States Members of the United Nations, of the specialized agencies and of the International Atomic Energy Agency, as well as from those organizations and agencies themselves. Other contributions, including those from intergovernmental, non-governmental, or private sector sources, may be accepted by UNDP and utilized for the general support of UNDP or for purposes consistent with those of UNDP."

Second common regulation

For UNFPA

"The Executive Director shall report annually to the Executive Board on individual contributions received from intergovernmental, non-governmental, or private sector sources, subject to such limits as the Executive Board may specifically decide."

For UNDP

"The Administrator shall report annually to the Executive Board on individual contributions received from intergovernmental, non-governmental, or private sector sources, subject to such limits as the Executive Board may specifically decide."

9. It is proposed that in the implementation of the second common regulation the following common new rule be established: "Individual contributions above a value of $100,000 received from intergovernmental, non-governmental, or private sector resources shall be reported annually to the Executive Board." As the dollar amount stated might be subject to review quite frequently, it is deemed to be more appropriate to include it in the financial rules.

10. For UNFPA, the first common regulation would replace Financial Regulation 4.1, and Financial Regulation 4.9 would be deleted. The second common regulation is proposed in place of the current Financial Regulation 4.11.

11. For UNDP, the first common financial regulation is proposed in place of the current Financial Regulation 5.02, while the second common financial regulation would replace the current Financial Regulation 5.09.

III. SUMMARY OF CHANGES

12. For UNFPA, the first common regulation combines Regulations 4.1 and 4.9 and expands on the different sources from which contributions can be received. For UNDP, the regulation now explicitly requires such contributions to be consistent with the purposes of the Programme whereas previously such a requirement was implicit in that it would be subject to the conditions and criteria as might be set up by the Executive Board or the Administrator. It should also be noted that this regulation is in line with UNDP Financial Regulation 8.01, which states that trust funds may be established for specified purposes consistent with the policies, aims and activities of UNDP.

13. For UNFPA, the second common regulation and corresponding new rule retain the threshold for reporting to the Executive Board on contributions from non-governmental sources at $100,000 (as approved at the first regular session 2000) and reflect also the consequent amendments emanating from the first common regulation due to the expansion of the different sources from which contributions can be received. For UNDP, the second common regulation and corresponding new rule set the threshold for reporting to the Executive Board on contributions from intergovernmental, non-governmental, or private sector sources at $100,000.

14. It should be noted that for both UNDP and UNFPA, contributions received have always been reported in the financial statements, which are audited by the United Nations Board of Auditors, as well as in the annual financial review of the respective organizations.

IV. RECOMMENDATION

15. The Executive Board may wish to approve the proposed common financial regulations as set forth by the Administrator and the Executive Director in this report.

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